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# West Europe Report

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# OIL REFINERY IN INDONESIA: COLOSSAL SPANISH PROJECT

Madrid ACTUALIDAD ECONOMICA in Spanish 4 Dec 80 pp 85, 87

[Article by Juan Astorqui]

[Text] The Spanish consortium has dashed the hopes of its "sister," Shell, which has suspended work on expanding its Singapore refinery. The Dutch multinational, in a show of pride, has halted the work, claiming that there are defects in construction materials, according to THE ASIAN WORLD STREET JOURNAL. The sources consulted by this magazine assert, however, "that Shell's business, or at least a major portion of it, is seriously compromised in the area of Indonesia. The Dumai refinery, which is slated to have a refining capacity of 93,000 barrels a day and will begin operations in 1984, will cover 60 percent of kerosene consumption and will save the Indonesian Government some $3.2 billion." A very substantial part of this amount still goes into the coffers of Shell, which buys crude oil in Indonesia and returns it to the producing country in refined form.

## Refinery Impossible?

Dependence on other countries for refined petroleum products has been the most important concern of Suharto's government. Since 1975, the Indonesian Government has tried every means to attain independence from the large companies and to provide its national oil enterprise, Petramina, with a network of refineries capable of meeting internal demand for a product which is vital for Indonesians: kerosene. In this country (which has 13,000 islands, rendering the stringing of electrical wires impossible), kerosene for domestic use (lighting and cooking) is distinguished by spelling it with a "q" instead of a "k."

During the last 3 years the construction of the necessary refineries has appeared to be an almost impossible task. Indonesia has a foreign debt topping $11 billion, and financing channels through organizations such as the IMF and the World Bank are closed to it. Nevertheless, the government turned to private international refinery construction firms to request financing. The bidding attracted 18 consortia, and initially the proposal of one of the German groups won. But that agreement was terminated, and it was then that Centunion, which has already built two cement factories in Indonesia and is working on a third, got into the action.

Meanwhile, Shell, which figured it would be impossible for Indonesia to have its own refinery, began expanding Pulau Bukom, its Singapore refinery.

Centunion consulted with Tecnicas Reunidas, and the two reached an agreement. They presented their plan in detail to complete the one drawn up by the American firm UOP [expansion unknown], which had been contracted to design the basic engineering of the project. That plan was approved. Then the two companies got to work searching for the $1 billion necessary to finance the entire project.

Financing

Gabriel Conde, trade director of Tecnicas Reunidas, explained to ACTUALIDAD ECONOMICA that "the battle to obtain the $1 billion has been difficult and arduous, although in all candor, the Spanish administration--specifically, the Ministry of Trade and above all Juan Antonio Garcia Diez--has supported us all the way. Thanks to its intervention, we have been able to bring to fruition a project that, in terms of industrial plants, is the most important one ever carried out by Spanish firms outside our country."

Among the entities participating in the financing of the project is the Banco Exterior de Espana (BEE), with $300 million in export credits. Conde explains: "The majority of the $300 million from the Banco Exterior de Espana will have to be used to purchase goods and services produced in Spain."

The terms imposed by the BEE on the credit are normal for this type of operation: 8.5 percent interest, 13 years amortization and a 3-year waiting period.

In addition to the BEE, the Kreditanstalt-Vereinbank of Austria is participating in the financing, with 150 million pesetas obtained through the Voest Alpine, a firm which operates in Austria as an exporter of a certain type of material necessary for the refinery. It is operating in a partnership with Tecnicas Reunidas.

Approximately $60 million will be provided by third countries that have yet to be named. Their selection will depend on the sales offers for some of the equipment needed in the project that is not manufactured in Spain. On Tecnicas Reunidas' list are firms from almost all European countries, with the exception of England, which has broken off relations with Indonesia. An additional $220 million is in the form of commercial credit granted by a syndicate of banks headed by the American Bank Corporation. The rest of the $1 billion comes from Petramina's own funds.

The King Too

Once the detailed plan has been approved by the Ministry of Trade and Cooperatives of Indonesia, it still must be signed. The contract for construction, supervision and supplies is still being negotiated. On Saturday 29 November a delegation from Tecnicas Reunidas and Centunion, led by Conde and Javier Meana, director of Centunion, traveled to Jakarta to finalize the details and sign the contract with Minister of Trade Radius Prawiro. According to Conde and Meana, "the contract will definitely be signed. Prawiro supports Spanish participation; he has visited us several times, and despite the Dutch and German influence in the region, we are certain that nothing will interfere with the operation."

But just in case the support for the Spanish consortium was not enough, on his recent trip to the Orient the King spoke with Suharto about the Dumai refinery,

among other things. According to sources at Tecnicas Reunidas and Centunion, "the King's intervention served to clinch the signing of the contract. At first, it didn't seem that there was any impediment anyway, but after Suharto's commitment to the King, we are going to Jakarta with the certainty that the negotiations will be easy and quick. . . We will sign."

The Dumai refinery, which will begin operations sometime in 1984, will have, as mentioned earlier, a refining capacity of 93,000 barrels per day. This will cover 60 percent of Indonesia's consumption. The project has 10 processing units and a unit devoted to hydrocracking, which Spanish experts consider the most important.

The Consortium

Tecnicas Reunidas and Centunion (Espanola de Coordinacion Tecnica y Financiera, S. A.) are two of the largest firms in Spain. Tecnicas Reunidas, headquartered in Madrid, deals with the design and supervision of industrial plants. It has assets of 200 million pesetas, and is carrying out projects for Petronor, Industrias Quimicas Asociadas, Union Carbide and several others, in addition to the project in Indonesia. In 1979 its earnings amounted to 1.433 billion pesetas, and its payroll totaled 750 people. The president is Jose Llado y Fernandez-Urrutia, who is now Spain's ambassador to the United States and is on special leave for that purpose.

Centunion ranks 388 among Spanish firms, ninth in the Miscellaneous Activities sector. In ACTUALIDAD ECONOMICA's annual ranking of export companies it holds 66th place, with total exports in 1979 of $2.083 billion. In the last fiscal year it earned 4.315 million pesetas. It employs 273 persons, which means its per-worker earnings are more than 15 million pesetas. Net profits in the same fiscal year were 15.3 million pesetas; the cashflow was 10 million pesetas.

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CSO: 3110

## BRIEFS

OIL IMPORTS RISING--The total amount of crude oil delivered to Spanish refinery terminals for the domestic market is 43,094,168 tons for the period of January to October of this year, sources told Europa Press. Saudi Arabia continues to be Spain's principal supplier of the crude. Between January and October, Saudi Arabia supplied Spanish refineries with nearly 13 million tons, which accounts for 29.7 percent of the total amount delivered. The second largest supplier is Iraq, from which 6,120,343 tons of crude, or 14.2 percent of the total, were imported. Next is Mexico, with 8.4 percent; Libya, with 8.2 percent, and Iran, with 6.8 percent of the total. Of the crude oil refined in Spain, 1,286,538 tons were produced for the domestic market, which means 2.9 percent of the total amount of crude oil delivered to the refineries between January and October 1980. Imports are expected to reach 51.1 million tons by 1981. [Text] [Madrid EL PAIS in Spanish 11 Dec 80 p 57] 8926

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## GOVERNMENT RETRENCHMENT PLAN TO LABOR, EMPLOYER'S UNIONS

Brussels KNACK in Dutch 26 Nov 80 pp 26-30

[Report on the 16th National Labor Conference (NAK) in the Egmont Palace, 15-22 Nov 80: "The Great Moderation Has Now Really Begun"]

> [Text] For 1 week the government has dug itself in with social partners for various expanded meetings in the Egmont Palace. Monday evening the great moderation plan was made public, and it will still require a lot of work in the headquarters of the social organizations in the coming days. The plan is not take-it-or-leave-it, but the government really does not want any more negotiations, but rather suggestions. Moderation and paying up at the same time, really, and no one will be able to predict the results of that. Still, the employers know that the billions being discussed will come to settle their debts, and the labor unions are out-classed on almost all fronts. A reducing diet of 1 week.

The National Labor Conference (NAK) has a long history. In 1936 the representative of the labor unions, employers, and the government met for the first time in such a conclave, and this is the 16th time. The goal of this round was already contained in the Marens IV cabinet's governing declaration. There was to be a large-scale discussion to call on the people and the country for moderation, moderation of income--the form was not yet clear to the government upon its arrival--was to have been discussed with everyone because that was the only way to drag the country out of the economic quagmire. There had not been a National Labor Conference since 1972, and thus none had yet been held except to talk about the distribution of economic growth. Then, in 1972, to be sure, there was already increasing inflation and even a growing army of the unemployed, but the bridging pension, the industrial governmental initiative and broader information to the industrial council were still typical luxury agreements, in a year in which the annual national wage negotiations still always ran smoothly.

Since then there has not been much left to divide. As long as the economic activity and productivity were growing, it was easy to reach agreement. When the growth fell off, productivity could only be jacked up by laying off workers. Where earlier solidarity with those least involved had meant calling for increases for all wages and benefit payments, now the workers had to swallow the idea that solidarity implied being moderate and a little belt tightening. The issue

in the social reality of today is work, and there is none of that to spread around, either. From the time that this NAK was announced, everyone began to take a firm stance: the first NAK in which the talk was to be about paying up.

As is the case with many major issues of interest to everyone, the parliament is not taking any part at all in the NAK. The labor union parliament members are more-or-less easy to identify in the CVP [Social Christian Party] and the SP [Belgian Socialist Party]. The are permitted to keep busy with labor laws, with the juridical organization of social affairs, but the labor federations have clearly prevented the transfer of even the most limited portion of their negotiating power to the parliament. For their part, the employers charge that they cannot find one member of parliament who is ready to defend their positions in public. So now parliament is certainly not getting between the two of them in the great national three-party discussion, but in the background the lobbying for the employers' positions still remains active. While the labor conference was in session, letters from chamber members and senators were received at the Flemish Economic Association [VEV] in Antwerp which agreed largely with the VEV with respect to the employers' position as to moderation and the like. On 13 October the VEV had written the politcians a letter seeking understanding for the rotten industrial climate. If we can believe the VEV, quite a few members of parliament have written back to Antwerp to rank themselves behind the Antwerp employers' Jeremiad, always with the stipulation: we parliamentarians do not have the actual power.

Three-way discussion, between the labor unions and the employers with the government in attendance, has not really been invented since the crisis. There have always been tripartite agreements, at least since the first NAK in 1936. Generally, especially during the rapid sequence of labor conferences of the postwar years, the government sat in to put its official seal on the biggest agreements, in wage agreements, social security and the whole organization of the negotiation economy. This time the government threatens to assume the responsibility, as it is termed, or to force a plan upon two discussion partners who have not reached agreement. There has not been any national interprofessional wage agreement since 1975, and this year there was no chance for negotiations. Neither the labor unions nor the employers were taking the chance of leaving an opening for the other, for the stakes in the social relationship are becoming increasingly delicate. More and more, the issue is work, it is job security, and at the same time wages and benefits are being nibbled at.

How can an agreement be reached on employment? The entire discussion framework, experience, and the tradition of negotiations for the past 35 years has had to do with the signing of wage increases, of financial adjustments. Now that one worker in two, according to the public opinion polls, has either had to deal with unemployment directly or has felt threatened in his job indirectly, so that now everyone's greatest concern is his job, the discussion continues to follow the old paths. Work as a topic is still so unhandy that the social partners seem to be able to think up no other ideas than to talk about wages, be that in the form of wage moderation.

Work has nothing tangible about which to negotiate. Work is not handy as a concept for negotiations, because there is no direct connection between the demand and the result. If the labor unions were to agree today to something to do with employment as a promise, they cannot take it to their union membership tomorrow. No. The work will not be available in the most favorable case until months later. Furthermore, the connection between demand and result is completely lacking at the company and sector level. On that level on the average people only feel the runoff, and only on the macroeconomic level can employment be exchanged for paying in or moderation. Therefore it all goes wrong at that point, for collective labor agreements have been being reached more and more--since 1975--at the sector level in recent times, and frequently even at the company level.

Raymond Pulinckx of the VBO recently stated for this paper that it is impossible for him to make any definite guarantees. He cannot guarantee that work will follow from moderation. Labor unions now want precisely those guarantees: first, that not only the easily known incomes--wages--be reduced, but also the other incomes, the fiscally and administratively less readily grasped incomes of the free professions, for example, and secondly, that the moderation in fact serve some purpose: for a healthier industry, which can then invest in jobs again. The labor unions have real problems here with their rank and file, which frequently do not even want to hear about moderation, or else demand work guarantees most forcefully. But Raymond Pulinckx has difficulties there with his VBO, too, which includes as members very diverse sectors, as burdensome shareholders in the little firm of the VBO, which has to carry out its intended purpose--defending the employers' interests--almost despite the parties that fund it. What the public sees on the television screen, that Pulinckx is a great buddy of Debunne, is not far from the truth. He talks in clearer terms with the red labor union leader than with his own board of directors.

At this round of labor talks, the third partner, the government, has shown the greatest muscle. If the social partners are not able to reach an agreement, they will simply have to listen to what has been agreed to around the table at the cabinet council. The government was also the most in need of an agreement. A large part of the governing declaration is devoted to improving the social and economic situation, and the prime minister designate's negotiations were devoted to these topics more than has been the case in the past. The reason for this political team's existence was at stake, and Wilfried Martens could only see his future assured if he were able to stay out of conflict with the social partners. Furthermore, moderation is also very important to the government as an employer and as the payer of pensions. Topping off the high pensions and restricting civil servants' salaries directly affects the treasury's wage service.

Why is it now so necessary that we be moderate? It is becoming more and more clear that the country is living beyond its means. By that it is meant that we continually import more than we export, and that in this way riches are being taken away from our country to foreign countries, at a higher rate than we can long afford. Moreover, in past years the wage earners have been able to shift the burden of inflation, imports and taxes, through the means of index coupling [cost-of-living adjustments] to the industries, which have gradually come to earn too little to still be able to make investments, and which have not been able to sell enough of their products abroad. At the same time the government has gotten into financial difficulties, and that has caused the interest rate to increase so much that not only can business no longer make investments, but no one is building a house any more.

In other words, industry says, the industrial climate must be improved. In specifics, that comes down to the following scheme: a wage moderation reduces the companies' costs so that productivity increases, which is good for the international competitive position, to the extent that employment opportunity increases and the governmental finances improve. Cost reductions also improve the competitive position abroad, increase exports, and the balance of payments is improved.

It is not just industry that says that, but also the National Bank, quite a few professors of economics and research services of banks. Herman Van Rompuy, head of the CEPESS, the research service of the CVP [Social Christian Party (Flemish)] and the PSC [Social Christian Party (Walloon)], at a meeting of Christian employers in Limburg recently, also had calculations dealing with that. In 1980 the companies will have lost 60 billion [Belgian] francs. Moderate wages to the bare cost-of-living adjustment, and the CAOs [Collective Labor Agreements] already concluded will produce a net of 6 billion for industry, and the fiscal measures of Martens III and Martens IV, less the new taxes contained in the, would be good for another 11 billion. That is far from too much, according to Van Rompuy, who held that previous coalition agreements worked out well for the families, and that it is now finally industry's turn to finish in the money.

If you talk things through at the VBO, then even there the utility of moderation as an instrument to solve the crisis is doubted. "It is not certain that moderation will have good results, but if we do not follow the other countries, we will lose even more employment," is the argument. Or, as Mark Eyskens, the finance minister, expounded, it this past Sunday in the television debate: a wage is an income, but it is also a cost; the buying power of that income is not bad and is not fundamentally affected, but according to Eyskens, we now have to transfer the emphasis to the cost aspect of the wages, so that industry can operate under better circumstances.

A too simplistic line of reasoning slips all too handily into discussions of wage moderation. The VBO really is right if it is held that wage moderation in itself does not guarantee anything. It is clearly not true that because the wage increases of the years from 1973 to 1978 caused jobs to be lost, a wage moderation now will create jobs of itself, as though it were two interconnected reservoirs. There are also economists who have thought the matter through a bit further, and whose opinions are to be respected, such as the Political Economy and Labor group at Leuven. There are three major points because of which wage moderation cannot work to solve unemployment. First, there are a number of sectors, such as steel and ready-to-wear clothing, which absolutely cannot have enough of a measure of this kind to be able to compete with the low-wage countries. Secondly, our neighboring countries and most important trading partners are cutting back equally sharply. If we cut back by 2 percent, our competitive position will not be improved to an equally great extent, because our competitors are also backing down. And thirdly, an enormous technological revolution is currently under way, in which investments in industry in the rich countries almost exclusively mean rationalization, and represent investment in labor less than ever.

It can be seen from this that moderation can be sensible if it leads to investment means which offer high-quality and lasting employment. Thus, labor unions could become involved internationally against deflationary moderation proposals. And in their own countries, they could ask, within the margins of what is possible

with government finances and with industry's competitive position, that the money which is made available to industry through moderation, with the requisite controls, imprimis: be kept within the country, and secundis: be used there for the adjustment of production to domestic needs and requirements, for a selective export policy, for the distribution of available labor, for restoration of a healthy capital market, and for industrial innovations.

The Egmont Palace, which has ever played host to famous and infamous meetings, was as good as a bunker from Monday to Monday. Only with the proper pass was it possible to get past the heavily armed and overwhelmingly present National Gendarmerie. A solemnity like unto a high mass, as someone said, which was very well closed off to the outside world. Journalists scarcely had anything to write about, and had Premier Martens' press advisor Lou De Clercq at the daily briefing in Wetstraat as almost their only source of information. If in the mean time anything further did leak out, it was guaranteed to be from a "friendly" ministerial source.

A spokesman for the employers said Monday evening, "The government did not negotiate. They had everyone put forth his position at last Monday's plenary session, and had those positions further defined in the study groups." By the beginning of the weekend, the government knew precisely what it was up to. For 2 weekend days, the cabinet departments involved, and primarily the department of labor and employment, worked at full speed to delineate and consider text after text and proposal after proposal until agreement would be found in practically permanent cabinet council concerning what was to be presented to the social partners as a proposal for interprofessional agreement. Monday afternoon at 1300 the final version was finished, and the government was to present it at 1500 to the plenary session of the National Labor Conference. Employers hoped almost in silence that it would be left with the short governmental communications, but union leaders wanted to go on to negotiation at once. Jef Houthuys, ACV [Confederation of Christian Trade Unions] chairman, who stood clear as a "jef d'etat" on his own evidence, to begin at the meeting, told the members of the press that it would not do to wait until 2 days later, or the next week, to negotiate: if the government wanted to continue to enjoy the confidence of parliament, there would have to be more talk the same day. That meant a late night right away, and Vice Premier Spitaels would just have to take over as leader if Prime Minister Martens had to go from one palace to another for the gala in honor of the Queen of England.

Since then it has been learned what proposals for moderation the government presented. Anyone earning more than 35,000 [Belgian] francs gross must give up his CAO rights [the wage increase previously negotiated] and would only receive a cost-of-living adjustment. Anyone earning less can retain his rights and can receive 1 percent more than the cost-of-living adjustment next year. The 38-hour work week will be sought for everyone. But also, everyone will have to pay more for his social security, and furthermore the wage limit will be increased to 65,000 francs. The long-term unemployed--anyone who has been unemployed for more than 2 years, plus 3 months for each year he or she has worked--will receive less support. A head of family will then receive 70 percent of the minimum monthly wage, or nearly 17,000 francs, a single individual will receive 12,000 francs, and a co-resident will still receive 9,5000 francs. In this way, the great dissatisfaction among women with the exclusion of non-heads of family from the support regulations is countered at least in part. Public mandatories must give up

5 percent--which, according to some sources, would work out technically so that a member of parliament earn more--and the 20 percent the notaries have received each of the past years from Minister Van Elslande will be revised. Civil servants must also pay up. There will be a soliarity contribution from which incomes under 40,000 francs are excluded, and those for higher incomes run from 0.9 percent up to 2.7 percent.

There was further discussion of the major outlines Monday evening. Tuesday the national committee of the ABVV [Belgian General Federation of Labor] met, and later in the week the ACV [Confederation of Christian Trade Unions] and the VBO and the other discussion partners also meet. The ABVV will hold its congress on 2 December, the date on which the prime minister expects all the answers, and last in the series the VBO will also hold a special board-of-directors' tactical meeting on that day.

The government's bill after the proposals remains very unclear. Even the cabinet members probably did not know at the latest meeting what the impact of the so frequently and so heavily altered proposals would be in the end. The billions the government hopes to collect--five from Employment and Labor, two from pensions and eight from social security--will give rise to reduced incomes, and thus less tax money, and also to reduced consumption, and thus stagnating BTW [Added Value Tax] receipts. Clearly the political value of the round of moderations was greater than the financial consequences.

The employers do hear the cash registers ringing. Along with the advantages mentioned in the most recent two cabinet declarations--between them good for 11 billion [Belgian francs]--the BVO thought that Monday's moderation would be good for 20 to 24 billion francs. But according to labor union people, it appears to be an endless task to freeze or to suspend CAOs. The legislator cannot simply intervene in agreements that have been reached between employers and labor, and the members of the cabinet am proving that they do not know the practical social course of events, one lab or union leader said.

The labor unions do not have much to expect from the moderation. Chairman Andre Vandenbroucke of the general headquarters of the ABVV referred recently in LINKS to the examples of Great Britain and the Netherlands, where moderation plans have not proved at all to be so creative of work. The ACV stresses that moderation is best, and valuable, if results are seen in employment.

The labor unions have not yet learned how to negotiate with work as the stakes. Is today's shortage of work a dramatic necessity? Probably not, but the phenomenon is very complicated, to complex for 35-year-old negotiation structures. Work is not a traditional topic of negotiation, and furthermore it is thankless for the reasons mentioned. Earlier, solidarity meant demanding increases for everyone, now it must be explained that solidarity means moderation. The labor union does not have any clearcut argument about the creation of work, or employment, or the distribution of working hours. The labor union does not even have a considered response to the simple, but, as cited above, false, scheme with which the employers have won such important results from the struggle. Simple schemes do succeed from time to time in the complicated reality.

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CDU PLANS PARTY STRATEGY FOR 1980-1984

Strategy Paper Excerpts

Hamburg DER SPIEGEL in German 22 Dec 80 p 82-83

[Article: "A Party To Touch"]

[Text] The expanded CDU presidium held a closed meeting in Boppard to discuss a strategy paper on "the political agenda of the CDU for 1980-1984." This "working draft" is to be reviewed by an editorial commission and to be adopted as an actual agenda at the upcoming CDU party congress in Mannheim in early March. Here are some excerpts of the Boppard draft:

Over the past several years, the CDU has made its basic tenets and policy goals known-- particularly in its basic program and its election platform. These policies are capable of attracting a majority among the voters. If the CDU bases the contest for electoral majorities on them, it will gain the kind of momentum which neither the media, nor the voters can escape. The CDU can achieve this by:

1. adopting a value-oriented policy founded on its basic program;

2. being sensitive to new issues and proving its willingness to discuss them tolerantly and openly and

3. pointing to the political failures of the coalition partners SPD and FDP-- particularly in safeguarding our national existence both domestically and externally.

The outcome of the election proves that the SPD was unable to become the most potent political force in the FRG in spite of its generally favorable starting position including that of the incumbent chancellor. Structurally, the SPD is a political party whose upper limit lies at about 40 percent of the electorate. Conversely, the CDU/CSU, operating under eminently unfavorable conditions, did

maintain its position as the most powerful political grouping and has thereby proven that it is capable of attaining a majority under more favorable conditions. Quite possibly, it may now have more regular voters than ever before.

A change in party alignments (such as the creation of a fourth party) is not considered desirable by the CDU and the CSU. An FDP shift to a different coalition arrangement cannot be counted on. Instead, CDU and CSU should devote all their energy and imagination to attaining the kind of broad majority necessary to take over the reins of government in Germany. This is conceivable because:

1. there is a general and constant trend away from liberal-socialist philosophy throughout the Western world;

2. Due to generally more favorable economic conditions and certain fiscal prearrangements (deficit spending) this trend did not begin to affect the FRG any sooner than this. But now stringent and unpopular measures can no longer be avoided. The end of the Schmidt era is synonymous with the liberal-socialist era.

3. Between 1980 and 1984 the CDU/CSU will be in a position to mobilize strong reserves (as compared to 1976-80) particularly if it manages to avoid the mistakes of the 1976-80 period. If the CDU/CSU as a whole turns to questions of substance and leaves personnel matters aside; if it does not forfeit the solid base of its trustworthiness by engaging in personality disputes; if it looks upon every Land election as a factor contributing to the next Bundestag election and if it makes full use of all its resources, then it will take over the government in 1984 because in structural terms the CDU/CSU is capable of attaining an absolute majority.

To achieve this goal, the CDU/CSU must agree on a number of basic strategy decisions at the start of the new legislative session which it intends to pursue in the Bundestag, the Bundesrat and as an opposition party.

It will be the strategic aim of the CDU/CSU to outline just where the responsibilities lie: the government must answer for the unpopular measures and the public must attribute them to it.

Strategy in the Bundesrat calls for preventing the CDU/CSU majority there from relieving the FDP of its corrective function in government in the sense that the FDP does not vote for policies in the cabinet or in the Bundestag against its better judgment in hopes of having the CDU/CSU Bundesrat majority push through a sensible and more moderate set of measures for the success of which the FDP can then claim credit.

The CDU/CSU-run Laender must coordinate their position in the Bundesrat and make the public aware of it in a plausible fashion. This is the only way for the CDU/CSU to present a non-contradictory image the public can understand.

Thereby and in other ways, the CDU must launch a concerted debate within the party which conveys the impression to the public that the CDU may not have ready answers to all questions but that it is sensitive and sympathetic to the real problems of people; that it does not think stereotypes and talk cliches but is able to debate intelligently, even with people who think and act differently. The emotional threshold which keeps people from going over to the CDU can be lowered by adopting a political style marked by tolerance, respect for others, sensitivity and a readiness for dialogue.

A political party is judged not only by what it says but also by what it does-- not only in big-time politics but also in the everyday concerns of average people. The CDU must therefore make the moral aspects of its policies and its concern with everyday matters clear over and over again. Some examples for this would be to adopt or assume sponsorship for old people, invalids, families with many children or children of foreigners.

The consequence would be a party to be experienced and to be touched which offers entirely new opportunities of participation to people who have relatively little interest in politics in the strict sense of the word.

The political program of the CDU will therefore have to aim for two goals at once over the next 4 years:

The CDU will have to deepen and expand its competence in substantive matters, that is to say move on to new issues.

By pursuing value-oriented policies, the CDU will have to succeed in winning over young people more than heretofore.

The CDU will have to give priority to the interests of the future as opposed to the wishes of the present.

In addition to its alliance policy, the CDU must continue to develop its own Ostpolitik on the basis of existing treaties and constitutional norms and attempt to tie more than heretofore the north-south component of international relations to the east-west component. The structure of international relations can no longer be adequately defined by the bipolar (east-west) pattern of the sixties.

The contrast between north and south, resulting from an unequal distribution of the riches of the earth, has intensified. The north-south and the east-west areas of tension cannot be viewed separately from each other.

There is another reason why this interrelation between the north-south and the east-west problem will become a foreign policy issue within the next few years. The morally sensitive population groups (young people, students, Evangelical and Catholic academies) are more concerned about the north-south than the east-west issue. Based on a morally rigorous outlook, they tend to judge policies by their results and the results in this case they feel are largely negative.

A political party which /in their eyes/ identifies (exclusively) with the east-west problem and whose foreign policy appears blind to the north-south theme cannot hope to convince them-- even as concerns the east-west issue.

## Interview with Bluem

Hamburg DER SPIEGEL in German 22 Dec 80 pp83-84

/Interview with CDU Presidium Member Norbert Bluem: "The FDP Must First Be Afraid"/

/Text/ SPIEGEL: At its meeting in Kreuth, Mr Bluem, the CSU maintained that the election was not lost by Strauss but by a lack of confidence in a CDU/CSU victory. Do you agree ?

Bluem: Victory has many fathers; defeat is more of an orphan. I still say we lost, all of us together. The game is over. The ball is no longer in play. There is no more tackling.

SPIEGEL: Strauss still does. He does not feel that the "softer issues" like foreign workers' or family assistance and opportunities for youth that the CDU wants to push are really priority issues; he still holds to his "hard" line on Ostpolitik and on the German policy.

Bluem: Arriving at a consensus between East and West is a difficult business. To be sentimental about this, is to take your life in your hands. But as for misery in the world, that is something that simply must touch our hearts. If compassion for the poor is considered "soft," then I am in favor of being soft worldwide.

SPIEGEL: The results of the closed-door meetings of the CDU and CSU in Boppard and Kreuth seem to indicate that the old controversy within the Union on how best to meet the challenge of the socialist-liberal coalition has flared up anew. Whose side are you on this time ?

Bluem: I do not change sides at the drop of a hat. We are not a a reconnaisance squad that has gotten lost. I do not consider th fact that there is a debate in our party about the problems of the average citizen a defect; it is a sign that "things are moving." People's parties, after all, are not meant to be simple associations dedicated to brainless, unquestioned conformity.

SPIEGEL: Do you agree with the Strauss view that the CDU/CSU in its present alignment cannot beat the SPD/FDP coalition ?

Bluem: No.

SPIEGEL: You are chairman of the CDU social committee and as such the CDU/CSU expert on social policy. Do you share the hopes of the government for an economic upturn later this year which will get some of the unemployed off the streets ?

Bluem: We have been hearing about these upturns over and over again. Every few months the situation improves, on paper. In reality, we have now had a million unemployed for 6 years.

SPIEGEL: What do you recommend as a member of the CDU's left wing ?

Bluem: There is no patent remedy. But what we do need is a dependable economic policy that does not constantly vacillate between spending and collecting; a fiscal policy which gives the small and medium-sized businesses a hand instead of grabbing them by the throat.

SPIEGEL: Those are nice premises...

Bluem: ...which can be turned into actions, if one takes the appropriate consequences. One such consequence would be the improvement of professional education, particularly for adults. Another consequence would be more flexible working hours. Why would someone who wants to work part-time have to work full-time ? The alternative between full-time work and no work at all is just plain unimaginative.

SPIEGEL: What should the government do in practice to come up with a different set of regulations on work schedules ?

Bluem: The main burden rests with industry and labor. But the legislators must do their part by making social legislation more flexible. There is a need for more imagination: life rhythms and work rhythms must be brought into line with each other to a greater extent. The transition from the work mode to "retirement" could operate more smoothly.

SPIEGEL: But first a lot more money will have to be spent.

Bluem: Spending money for full employment is preferable to spending money for unemployment. Full employment is cheaper and more humane.

SPIEGEL: Do you agree with FDP economics minister Count Lambsdorff that a greater distinction will henceforth have to be made between shirkers and those willing to work ?

Bluem: It is not so much a question of shirking and abuse among the unemployed-- that happens in all social groups and not only in the area of social policy. Tax evasion for example costs the government a great deal of money. We are for fighting abuse wherever we find it and no matter who is guilty of it.

SPIEGEL: Is the minister right then ?

Bluem: Anyone who reduces the unemployment problem to shirking and absenteeism does a grave injustice to the hundreds of thousands of unemployed who would like nothing better than to work again and who are in fact ashamed of being unemployed. If they not only lose their job but public respect as well, they become totally isolated.

SPIEGEL: Those are lofty words...

Bluem: Not lofty at all; it is a simple question of arithmetic. In Saarbruecken, there are 7.7 percent unemployed; in Stuttgart the figure is 1.7 percent; in Emden, it is 8.6 percent and in Goeppingen, it is 1.4 percent. The difference is not attributable to the fact that there are more shirkers in Saarbruecken and in Emden. To describe unemployment as an individual problem is to minimize it and that leads to putting it on the back burner.

SPIEGEL: What can you do about that ?

Bluem: I have no intention of letting up the pressure on Helmut Schmidt. When you start reducing unemployment to a question of shirking work, you touch on moral issues which is something that Schmidt himself says the father confessors are responsible for and not he. As for us, we must learn to look upon unemployment as a problem for the future and to treat it as a political issue. The government is just looking for an alibi for its failures.

SPIEGEL: Some of your party associates think quite differently. They tend to agree with Count Lambsdorff and call him courageous.

Bluem: I cannot but be amazed myself. It takes a good deal of courage for Lambsdorff to make it appear that he has nothing to do with the coalition at all. But the fact remains that he did not join it yesterday. And here he is complaining about problems which have arisen during his tenure as economics minister. To disavow one's own record like this, really takes courage.

SPIEGEL: Many CDU/CSU politicians feel that the government has no other job at present than to promote growth; in which case employment opportunities would more or less take care of themselves.

Bluem: My view has always been that in a social economy the economy is not simply left to its own devices. That is the point on which I differ with the liberal economists of the Neanderthal school which hold him to be the winner who wields the biggest club. The CDU has never subscribed to this particular economic philosophy and will not do so in the future.

SPIEGEL: The metal workers union accuses the government coalition of having worked out a "social plan" to let the coal and steel co-determination agreements lapse. Is there a CDU/CSU majority to be had which would guarantee the retention of these agreements for more than 6 years ?

Bluem: One of the most important differences between the government and the opposition, I think, is that we have not changed our tune since 5 October. I have certainly not heard anyone come out with a different statement up until today. Prior to the election, our candidate for chancellor proposed that the coal and steel co-determination agreements could be constitutionally guaranteed without the need to resort to special settlements as in the case of the Mannesmann law. To get such a provision enacted, would require large majorities just as changes in the electoral law do. There are some issues that simply cannot be decided along strict party lines.

SPIEGEL: If you could in fact come up with a majority, the present coalition would fall apart because it would have to join in voting with different majorities on different issues.

Bluem: That is Wehner's problem and not mine.

SPIEGEL: Getting back to your problems then: What does the CDU hope to achieve with its "soft" issues as put forward at Boppard ? Will you banking on the voters' sentiments from here on in ?

Bluem: There is a great yearning for life in readily surveyable dimensions and an equally great disgust at being manhandled by super-size organizations. Preference for small groups and communities might well be the political model that could make sense to young people, too. Our young people cannot rid themselves of the suspicion that the established politicians simply want to get them under their thumb even when they talk like social humanists. Youth policy does not mean that some CDU granddaddy puts on a T-shirt, but that we really grab hold of the existential problems of the future.

SPIEGEL: Nonetheless, a CDU government would be faced by empty coffers, too. How would you go about distributing the available funds so that those who really need help would get something ?

Bluem: According to the three R's of political life, the likelihood of those needing help paying for it themselves increases in direct proportion to the size of the recipient population. Any state that pays out subsidies is bound to turn into a gift shop dedicated to its own benefit.

SPIEGEL: Your party chairman has said the CDU must reconcile itself to 4 more years in the opposition. Is there a chance to break up the coalition just the same ?

Bluem: The more what an opposition wants is perceived as right, the sooner it will be able to take over the government. I do not think the FDP will move unless and until it becomes afraid that things might work just as well without it. The FDP is quite convinced of the fact that it is a party that was made to govern. It will not be able to limber up until it recognizes that the people no longer support the program the FDP and the SPD labeled social-liberal once upon a time.

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METHODS FOR SMUGGLING GDR SPIES INTO FRG

Hamburg DER SPIEGEL in German 22 Dec 80 pp86-88

[Article: "Hot Trail"]

[Text] The GDR intelligence service is using increasingly sophisticated means for smuggling agents into the FRG; the most successful being the doubleganger method.

When Harald Scherer* from Kassel visited relatives in Dresden in the mid-seventies, he met and fell in love with a young student there. Soon the two made plans to get married. But when they decided they did not want to live in the GDR but in the FRG their troubles started.

Scherer was told that his fiancee would not be permitted to leave and that the two had a joint future only if they remained in the GDR. A friendly official --who really was an officer of the MfS-- offered to help by getting Scherer an interesting job with good opportunities for advancement. So as not to lose his fiancee, Scherer accepted and offered to move to Dresden immediately.

But the MfS man said no. First, he would have to prove his reliability. He would have to name several persons who would vouch for him. Then, one would see.

6 months later, when he visited Dresden again, Scherer was told by the GDR authorities that only one small formality stood in the way of his moving. Prior to quitting the FRG for good, he would have to change his police registration as provided for by law from Kassel to Frankfurt/Main and after another 10 weeks to Saarbruecken. Harald Scherer did as he was asked. His notice of departure from Frankfurt in hand, he arrived at his fiancee's house in Dresden.

*Name and dates have been changed

Only a few days later, Harald Scherer went back to the FRG-- but it was a different Scherer this time: an agent of the main administration of MfS in East Berlin had assumed the identity of the real Harald Scherer. When he got to Saarbruecken, the Stasi man presented the departure certificate from Frankfurt and was thus duly registered in his new domicile.

This is a typical example of how East Berlin's intelligence chief Markus Johannes (Mischa) Wolf smuggles his agents into the FRG. In the meantime, the Cologne BfV has painstakingly reconstructed this particular variation of the sophisticated doubleganger gambit. "It took us a while to fit all the pieces into the puzzle," said BfV president Richard Meier, adding with a touch of admiration: "It is a very good ploy."

It was luck and investigative work as well as computer assistance and much systematic work on individual cases that helped the Cologne organization to find out what the other side was up to. And it took a great mass of detailed information for them to crack the system used by the MfS to smuggle its agents into the West. Again and again they were impressed by how imaginatively and skillfully the Stasi people go about their work and how they manage to turn the anomalous two Germanies situation to good advantage.

For years the Cologne agency has been worrying about increasingly sophisticated camouflage techniques being used by GDR agents. That does not mean that Mischa Wolf has given up on tried-and-true methods, but merely that he has constantly added new ones. In this way, he was able often enough to confound his pursuers.

The classical method still is to smuggle in professionals who operate as control officers in the FRG or who slowly and methodically work their way up to sensitive positions. ("Intelligence services have a tremendous amount of patience," as one BfV expert puts it.) Another MfS method is to hire on GDR citizens willing to leave the country.

Wolf's men keep on working on the doubleganger schemes with a great deal of imagination. There are well-trained agents living in the FRG who use the names of GDR citizens who have long since returned home. There are Germans coming in from third countries like Canada or Australia who lead the lives of persons no longer living. The East German agents make systematic use of the fact that police registry files are not too well kept which makes their statements that much more difficult to check.

But over the past few years the BfV has been able to crack several cases of assumed identity.

In February 1979, they nabbed Ingrid Garbe, a foreign-language secretary at the FRG mission to NATO in Brussels. Her lover, who had assumed the identity of one Christoph Willer, put them on her trail.

Willy Erwin Hoefs, too, had merely assumed a false identity; he put the authorities on a hot trail as well. In March 1979, the police arrested Ursula Hoefs, a secretary in the organization department of CDU headquarters in Bonn. Willy Erwin, her husband, was a Stasi agent who had assumed a false identity.

When two more secretaries disappeared shortly thereafter --Inge Goliath who had worked for CDU foreign policy expert Werner Marx and Christel Broszey who was Kurt Biedenkopf's chief secretary-- the BfV soon discovered that the fugitives Wolfgang Goliath and Broszey's friend, Konrad Kipping, had both come over from the GDR as doublegangers.

Kipping had been living in the FRG under the name of Heinrich Hoffmann for some time. In 1972, he obtained a new identity. In June of that year, the real Konrad Kipping moved from Landsberg to Einbeck in Lower Saxony and registered with the police there. Then, he returned to his parents in the GDR. Only a few days later, Hoffmann, having assumed Kipping's identity, appeared in Einbeck. "It is this quick-change artistry that does it," a BfV spokesman says.

These "sluicings" (as the BfV jargon has it) are engineered very carefully. Quite often, an East-West romance is used to start the operation off. A variety of pretexts is used to delay the move to the GDR; the reason being that the potential immigrant's background must first be checked out. The doubleganger must familiarize himself with the life of the original so as to be able to slip into the latter's "legend," as the saying goes.

The Peter Dietrich case did not start out as a romance but otherwise proceeded according to the approved plan. Dietrich, a young man who had trouble making friends, lived with his father in Mannheim. When his father died, he felt quite lonely and wanted to return to Magdeburg to his mother.

Dietrich's mother contacted the GDR authorities and was told to have her son come to Magdeburg for an interview. At the interview, an MfS officer told Dietrich that his request was being looked into with favor but that he would have to be patient until the authorities had had time to find out whether he had a clean record.

8 months later approval for the move was granted-- with the well-known proviso. Dietrich was told that it was in his own interest to change his official place of residence from Mannheim to Hannover prior to entering the GDR.

The reason given was that it was not really certain whether he would like it in the GDR. Perhaps he might change his mind. And, if he changed his place of residence to Magdeburg to start with, he would become involved in complicated and unpleasant proceedings at the Giessen reception center should he return to the FRG as a refugee.

Hugo Merseburg, who wanted to go east for romantic reasons, did not get to go to the GDR directly but had to make a detour by way of Austria. The pretext in his case was that it would look like enticement, if he went to the GDR straightaway. Merseburg's employers might even press suit against the GDR under such circumstances.

It may seem naive but hardly a one of these people gets suspicious of these dubious GDR statements and their credulity makes the work of FRG counter intelligence that much more difficult.

When the registration at the new, short-term place of residence -- just a furnished room as a rule-- is canceled, the trail ends.

Except for the woman who let the room to him, hardly anyone in Frankfurt knew newly-arrived Harald Scherer who spent a mere 10 weeks in the city and nobody ever saw him in Saarbruecken, the place he was supposed to have moved to from there.

The fake Harald Scherer was able to settle in with impunity and in Hannover, not a soul knew anything about the real Peter Dietrich.

"This doubleganger gambit gives you double security," a counter intelligence expert told us. "As one individual leaves his old environment, his existing relationships are broken off and this lets the new individual take over his identity without danger."

The risk of discovery is reduced as the donors of the legend who have been lured to the GDR are methodically isolated.

In their initial interviews, the Stasi agents try to make the move look the more attractive by promising all sorts of things like well-paying jobs and comfortable apartments-- at least by GDR standards. Those who rise to the bait recognize much too late that they have made an irrevocable decision by agreeing to the move. So as not to endanger the agents they have smuggled into the FRG, the GDR sees to it that there is no contact with the FRG. The immigrants are quarantined in a manner of speaking.

The daily life of those who have moved is carefully watched; their mail is checked; they are forbidden to travel and can under no circumstances return. "They are in for life," says BfV chief Meier.

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## BRIEFS

INDIAN OCEAN FORCE--France will deploy a naval antimine group in the Indian Ocean made up of the mine hunter ships "Cantho" and "Vinh-Long;" three minesweepers, the "Verseau," "Capella" and "Capricorne;" and a support ship, the "Loire." They will be based at Djibouti. This group will be added to the French flotilla now stationed in the Indian Ocean and made up of seven major vessels including the frigate "Suffren," the aviso-escort vessel "Amiral-Charner," and the fuel supply ship "Isere." [Text] [Paris DEFENSE INTERARMEES in French Dec 80 p 6]

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POLITICAL-ECONOMIC FACTORS AFFECTING EEC ENTRY

Florence POLITICA INTERNAZIONALE in Italian Aug, Sep 80 pp 87-93

[Article by Anna Foca: "Candidates for EEC: Greece; a Controversial Choice"]

[Text] This article on Greece, which will be the tenth member of the EEC beginning on 1 January, continues the review of EEC candidates (for Portugal see issue No 7). For Greece, membership is a real "choice of sides." The polarization between the government and the leftist opposition. The consequences for a backward economy. Insertion into a more advanced political context. The possibilities of a different weight in the Mediterranean sector.

Greece will become the tenth member of the European Community on 1 January 1981. The membership treaty was signed at Athens on 28 May 1979 and was ratified by the Greek Parliament on 28 June of the same year after a 4-day debate which took place in the absence of two major opposition parties, the Pasok (socialist) and the KKE (communist).

This conclusion, which is also symbolic of the Greek political climate in recent years, was the fruit of a slow and laborious process which began 20 years ago when Greece presented its request to become an associate member of the EEC. From November 1962, when that application was formerly accepted, until the "freezing" of relations during the military dictatorship, the process of gradual adaptation provided for in the agreement followed its course in a fairly regular way despite certain difficulties that arose at that time--and which later were to influence the progress of negotiations and condition the final treaty--above all in the agricultural field.

With the restoration of democratic freedoms in 1974, the process of association was reactivated. In the meantime, the Greek government, guided by Constantine Karamanlis, decided to speed things up--among other things in order to defend itself from a possible repetition of the military "coup"--and on 12 June 1975 asked the EEC to accept Greece as a full member even before the expiration of the 22-year period of transition which provided for definitive membership in 1984.

Initial doubts about the wisdom of that application for earlier membership were expressed by various parties, for example by the European trade unions, in

addition to most of the Greek left, which from the first moment was very hostile toward the proposal. In any case, as months passed, political considerations--deriving above all from the desire to guarantee the consolidation of the new-born democracy--prevailed over fears many felt about the danger of excessive stress on the Greek economy caused by this acceleration in the process of membership. Fears were placated, even of those within the community framework who opposed the admission of a tenth, southern, member with a diminished economic potential. Thus, after a fairly bitter political battle conducted by the Greek government without the support of almost all the opposition, the application was accepted and negotiations were opened in July 1976.

The negotiations were anything but easy. They were clouded over by the preoccupation generally provoked among the northern members of the EEC by the awareness of other southern members who are on the waiting list. Greece's insistence on concession of a definitive 5-year transition period, for example, was at first received in total silence by the community. Later, and until an advanced phase of the negotiations, continuous references were made to adjustments of this period of transition without ever specifying details. Despite the difficulties, considerable progress was made fairly early with the stipulation of a first agreement regarding the customs union and free circulation of industrial products. This agreement established that Greece will gradually abolish all customs duties on industrial goods while quantitative restrictions on imports will be immediately abolished after membership, even though Greece has asked for and obtained exceptions regarding certain industrial goods such as chemical fertilizers and petroleum products.

This first phase of negotiations was followed by a period of stalemate, largely due to the intensification of pressure exercised by various groups of interests, and mainly by those representing the farmers of the Nine [nations], following presentation of Portugal's request for admission and, later, of Spain's. The negotiations were revived at the beginning of 1978, when the main questions regarding the customs unions were settled and talks began on liberalization of movement of capital, immediately followed by detailed discussions on trade relations of the EEC and on products of the European Coal and Steel Community. The log jam was really broken at the end of 1978 when the question of agriculutre was seriously dealt with and a compromise reached (21 December 1978).

The principle of an overall 5-year transition period was accepted despite reservations by the community which in the end obtained three exceptions regarding peaches and fresh and processed tomatoes, which will not immediately receive full treatment by the community; and the Greek labor force, which will not benefit from full freedom of movement until after 7 years from the date of membership. This result has great significance for the EEC, which thus established a precedent in the form of exceptions to the overall period of transition which also can be utilized for future negotiations with other nations.

The other delicate subject, regarding Greece's contributions to the community budget, was resolved with the adoption of a principle that Greece will not immediately become a net contributor. Even though Greece pays to the community budget the full amount of customs duties and agricultural taxes, it will reach its full value added tax [IVA] total in graduated yearly quotas. At the same time each year of the 5-year transition period will see an increment of community funds

received by Greece. The Greek government maintains that the net benefits from which Greece will benefit with this sytem total 85 million units of account in 1981 and that this will rise to 220 [million] in 1982, 330 in 1983, 399 in 1984 and 500 at the end of the transition period.

During the final session of negotiations it was also agreed that the entire sum of family allowances will be ensured for Greek immigrants 3 years after membership and that all the regions of Greece, except Athens (where 40 percent of the country's total population, 50 percent of private investments, 40 percent of the industrial labor force and 60 percent of foreign trade is concentrated), will be entitled to receive aid from the regional fund. Greece has furthermore reaffirmed its intention to become a member of the EMS [European Monetary System], reserving its decision on the timing of this membership, which decision is to be made during the period of transition. Details such as fluctuating margins and the relative weight of the drachma, will not be discussed immediately.

In concludion, on 1 January 1981 Greece will become a member of Europe; but it will be 1 January 1986 before it can be definitively said whether the process was successful or not. It is a process which in addition to being one of economic membership, also represents an ideological and cultural choice.

The Road of the West

Membership of Greece in EEC marks in effect a crucial point in the history of the most ancient of European nations. After thousands of years in which it served the function of a bridge between the East and the West, Greece is ready to make the decisive step which it refused to take in the 5th century during the Turkish threat: That of definitive membership in the West. Fear of a new threat to democratic freedoms, of isolation on international markets, of the perpetuation of a situation of low industrialization, has pushed the heirs of Byzantium no longer--as was once proposed to their forebears--to join the Roman church but, this time, to enter the European Parliament, to eliminate all customs barriers and to introduce foreign capital with full rights.

In a certain sense this road was obligatory and Greece has trodden it since the end of the disastrous Civil War of 1945-1950. Membership in the EEC was the natural outcome of all the policy conducted by the moderate Greek right, winner of the civil war and the inescapable result of the capitalistic growth of the nation. With membership, detachment from the precapitalistic and preindustrial "orient" becomes definitive; the conditions of a capitalism on the way to becoming "advanced" are consolidated and expanded. The Greek economy thus becomes a part of the great capitalist area of the West and the left sees itself forced definitively to abandon hope of drastic and revolutionary changes of a Third World kind.

As was predictable, such a situation in recent years has provoked a lively debate among Greek political forces which are also spokesmen for social forces. A debate tied to ancient cultural fears, to questions of national identity and to the frustrations of a small nation with strong traditions and a weak economy, often assumes accents of all-out defense or emotional attack.

## The Voice of the Government

From the time when Constantine Karamanlis, prime minister from 1974 to 1980, and current president of the republic, fixed Greek membership in the EEC as the priority objective of his political activity, it is evident that he has always sought to present the agreement reached as an exceptional achievement by himself and his party, the New Democracy. In the introductory report to the last congress of his party in May 1979 he said, "The New Democracy has tried and has succeeded in achieving Greek organizational membership in the community because it believes in the idea of a united Europe and wants to contribute to its realization; but also because it believes that within the area of the community, our country, even while it maintains its own national characteristics, will accelerate the economic and cultural growth of the community itself; in the meantime it will safeguard its own democratic institutions and will strengthen its own national independence.

It should be emphasized that even on this occasion Karamanlis, as always, emphasized the political benefits that will accrue to Greece with membership, putting economic benefits in second place. However, the fact that Greek membership in a community of nations with solid democratic traditions, strong and progressive worker's movements and liberal institutions, will certainly strengthen democracy in Greece but is not sufficient to safeguard it, is also known to Karamanlis. In effect, the ex-head of New Democracy has often said that the protection of democracy in a nation depends above all on the organization of its own political and social forces and its resistance to internal and external attempts at destabilization. Even the foreign minister at the time of the negotiations, and present head of New Democracy and Prime Minister Georges Rallis, in his statement to the same congress (a statement dedicated above all to the economic advantages of membership) admitted that "...our parity participation in EEC is no panacea for the solution of all the problems we face as a state and as a people."

## PASOK's Position

PASOK (Panhellenic Socialist Movement), the second Greek party, holds positions diametrically opposed to the EEC and membership. Andreas Papandreau, president of the party, said in his introductory report at one of the meetings of the PASOK Parliamentary Group on 9 May 1979 after the Luxembourg Agreement was signed. That "Membership of Greece in EEC will result in an immediate and decisive injury to our national independence. It will mean an unconditional surrender to the Brussels Directorate...European Community rules will override Greek law...for the New Democracy leader the absolute satellization of Greece within the framework of the private circle of Western monopolies constitutes the new great idea of the nation. Our proud youth has been asked to sacrifice to this new great idea its own ideals for a free and independent Greece. For a Greece that belongs to Greeks...it is sufficient for now to emphasize that our membership will make our independent development impossible and national planning almost impossible; that our country will become the arena for conflict between multinational monopolies; that our industry and our handicrafts will receive a decisive blow; that the farmlands will be deserted and the farm population of our country will be reduced, trampling one another in our urban centers or in the cities of the West in search of work; that the structure of our national development will become radically distorted..."

Despite all, however, it cannot be said that the PASOK president preaches Greek isolationism: "Just as PASOK opposes our country's membership in the Common Market, so it opposes our isolationism. The point is not whether to participate in a world economic structure but whether to participate in it as poor relations or as an independent economic entity." Along this line Andreas Papandreu had proposed not the creation of another community (Mediterranean, Balkan, etc), but a special relationship with the EEC on the model of Norway without, however, indulging in a deep analysis of details and without explaining how to wrest more favorable conditions than the present ones from the EEC.

Even the positive political significance of membership is denied by the Greek socialist leader: "In our area of the world," Papandreu said in his report to the third conference of progressive organizations and of socialist parties of the Mediterranean held at Athens in May 1979, "The mechanism of integration is that of the EEC. The famous north-south dialog, within the European area, as it has been developed, has become itself a process of integration of the south within the structures of the north, but always within the framework of a regime of regional dependence... For this reason the objective of pushing the Mediterranean nations into membership in the EEC is above all political: That of avoiding their socialist transformation."

These statements, which came immediately before the ratification of the treaty by the Greek Parliament (PASOK and the Greek Communist Party refused to participate in the discussion which preceded the vote and also refused to vote), are sufficiently good illustrations of the theses of the Greek socialist. Meanwhile. Papandreu declared that in case of a victory of his party in the coming elections (spring or autumn 1981) he will promote a popular referendum on whether or not Greece will remain in the European Community.

However, this possibility now seems rather utopian. In order to call a popular referendum in Greece it is necessary to have the consensus of the president of the republic who formally "announces" it (Article 44, Section 2 of the Constitution), and since Constantine Karamanlis has been president of the republic since last May, it is very unlikely that a referendum of this kind will be seriously requested by Papandreou should he become head of the government, since one of his chief preoccupations could not fail to be that of maintaining good relations with the president. On the other hand, PASOK has formally declared that it will take part in the EEC organizations where participation by Greek parties is provided for. In such case, it is evident that it could not limit itself to general statements against EEC. It will be obliged to take part in discussions, to assume positions, to coordinate its policies with other like forces, whether they be Greek or foreign.

Debate in the Other Parties

The KKE (Greek Communist Party) too, despite the fact that it has often said that it will continue to fight against EEC membership, accepts participation in the community institutions "with a position of struggle for the interests of the workers and of propaganda for our government's need to cut itself loose from the EEC" (interview with Secretary General Ch. Florakis with the party organ RIZOSPASTIS, on 13 May 1979).

Furthermore, the KKE, which opposes the referendum, accepts as a solution Papandreou's proposal for a special relationship with the EEC and asks for a "coordination of action" with PASOK, which, however, in view of the elections is very cautious in its relationship with the communists.

The EDIK (United Democratic Center)--or rather what remains of the splintered great party of the center--has taken a position in favor of membership even though its leader I. Zigdis refused to vote. At the time of the ratification of the treaty he took a very polemical position against Karamanlis.

Instead, the EEC [illegible]ment is very dear to the president of KODISO (Party of Democratic Socia[illegible] [illegible] so derived from the ex-center), I. Pesmazoglu. In 1960-1961 he was one [illegible] protagonists of membership and today he is the president of the mixed EEC-[illegible]eece Commission. Presmazoglu is one of the most enthusiastic supporters of membership but he is not without criticism as is demonstrated in one of his characteristic statements regarding it: "The New Democracy has adopted the role of spokesman of the idea of European unity. However it makes no distinction between the Europe of the forces of oligarchy and the Europe of the workers. Europe's international prestige and political power are tied to social progress, to dialectical development, that is, to the socialist transformation of European society. Only this development can establish the bases for the political unity of Europe and of the independence of European peoples from the consequences of international development."

The position of KKEES (Greek Communist Party "of the Interior") is positive regarding EEC and close to that of the PCI on a workers' Europe. But even on this subject, as on many others, following the elections of 1977 and its sensational defeat in favor of the other "orthodox" and "pro-soviet" communist party, the "Eurocommunist" Party of Greece tries to soften its tones and to concentrate on criticism of the government. The position on the treaty, as expressed by Party Secretary B. Dracopoulos, is that it contains a "series of unjust and counter-productive conditions for the country" while the government takes no decisive step for the real preparation of the country, with the achievement of a series of substantial structural reforms in basic sectors..." According to the KKEES these reforms should include modernization of laws on cooperation and above all on agriculture, decentralization and democratization of public administration, modernization of the educational system and of laws on labor and the trade unions, expansion of local powers. In substance, the KKEES maintains, (...the negative position regarding membership leads to the passivity of the masses and is sterile. What is required is the active mobilization of the workers for the defense of their interests within the framework of the situation created by membership." In effect, as a consequence of these positions, L. Kyrkos, the party's only deputy, voted in favor of membership and against the second vote which dealt with the text of the overall treaty.

Finally, EDA (United Democratic Left), which includes communist cadres who did not join either one of the communist parties and some independent personalities, remains firm in its programmatic declaration of 1975: "It is a fact that for 15 years the association of Greece with the EEC has established special relationships and situations in the country's economic life. The situations require the adoption of the structural measures necessary to deal with the consequences of our in inescapable membership. Our membership in the EEC can, if handled well, help

the development of our economy because Europe is not only the Europe of big capital and the monopolies, but also the Europe of the workers, of a strong trade union movement and of the progressive political movements." As a consequence, the president and representative of the party in Parliament voted in favor of membership.

## Risks and Advantages of Membership

Among so many conflicting views and opinions which have been crisscrossing continually since 1974 in the form of political resolutions, declarations, economic or sociological studies, statistical data which serve to prove everything or the opposite of everything, it is difficult today to have a clear idea of the possible consequences that membership will have domestically. Here we will try to single out, by way of examples, some of the problems created by membership.

## The Problem of Reforms

According even to the government, the domestic situation of Greek public institutions is still at a precapitalist level; the bureaucracy is antiquated; corruption, on the lower and middle levels (a bank note in hand or inside an envelope to get a quick satisfactory performance of a service that is due in any case) is the order of the day; the level of personnel (recruited almost exclusively through patronage) is generally much lower than corresponding personnel in the Nine nations. Furthermore, the tax system--which is very centralized--is based on direct taxation; the educational system is still schlerotic, with the problem of the university unresolved (closed quotas in the Greek universities and authorization to export currency for tens of thousands of youths each year who gain admission to foreign universities sometimes by paying very high fees). Transportation and telecommunications are insufficient and in Athens and Salonika there exists an urban chaos which is also reproduced in the smallest cities of the provinces. The system of social security is splintered and inefficient; the trade unions are still controlled by the state and the cooperative movement is weak and itself subjected to control by the state administration. Now it is hoped that Greece's membership in the EEC will serve as a stimulus for changes in this situation.

## The Deficit in the Balance of Payments

It is probable that this Achilles heel of the Greek economy will be protected by community contributions and by European private investment, but it is not sure that the balance of trade deficit will be corrected due to the liberalization of imports of European industrial products and the probably large flight of Greek capital toward the markets of European capitals. On the other hand, while the strengthening of agricultural income with the stabilization of higher farm prices will be positive, the influence this will have on the increase in wages could act as a brake on industrial development.

The flow of investments--in the industrial and tourist sectors--and probably improvement in the conditions of farm owners could lead to a gradual disappearance of emigration due also to the very low rate of increase in the Greek population. This could cause increased immigration of workers from the Third World, which

has already begun, changing the composition of the Greek working class and introducing another unpredictable factor.

In any case, what already emerges today from the debate on negotiations for membership and from the efforts to make legislation adequate to the structures of the state on European levels, is a worsening of the contradictions and the class positions expressed through different degrees by the opposition parties of the left and the government party with its various groups; it is very likely that this situation will worsen further during the transition period.

The institutional picture within whose framework these contradictions gradually develop could become more or less favorable to the working forces or to capital according to the extent to which Greek legislative measures will be inspired by the institutional gains made by West European workers. At this moment, the political and social picture of the community is more advanced than that in Greece. It is therefore obvious that Greek progressive social and political sources, through their insertion into a totality of political and social forces involved in pursuing more advanced political objectives will be favored in carrying forward the struggle for similar aims.

However, the debate carried on in recent years by the Greek left and by New Democracy forces for "renewal" and "progress" is far from being concluded. Now it is a question of determining to what extent the monopolistic forces on the one hand and those of the workers on the other can exploit the contradictions of the post-membership period in their favor in order to say that the views of this or that Greek party were right.

As far as the Nine nations are concerned, there has been considerable discussion among "those assigned to procedure" concerning the implications of broadening the area of the community to include the nations of the Mediterranean Basin.

Even though Greece has achieved very rapid expansion in recent years, it is at a stage of development that is considerably inferior to that of the community. Its economy is characterized by an agricultural sector whose weight is still great, both in production and employment (for the moment it still absorbs 28.8 percent of total employment against the community average of 8.7 percent). On the other hand, the industrial sector (which employs 28 percent of the population against 42 percent by the community) is composed mainly of small plants with very low production which operate in already fragile economic sectors of the municipalities, and furthermore are concentrated in only two areas of the country (Athens, Salonika), a phenomenon which involves serious depopulation of large parts of the nation.

It is therefore evident that expansion of the community area to a nation of such weak development cannot act as a stimulus for the internal growth of the Nine. Furthermore, it has already been emphasized that increased community productive capacity in agricultural areas such as wine, olive oil, fresh and processed fruits, would imply the need to restructure and reconvert and this could affect employment in the sector.

The membership of Greece has marked the beginning of considerable worsening of the degree of community disparity that already exists between the north and the

south, or rather between the "center" and the "periphery." Addition of another "poor" nation to the Nine will increase the weight of unbalanced peripheral areas in which the agricultural sector is preponderant (however with low productivity) and where the employment problems are most serious, and land, social and economic imbalances are most profound.

Why, therefore, have the parliaments of the Nine nations ratified the treaty of Greek membership? Beyond the well-known political reasons of safeguarding democracy, it has been said repeatedly that membership of new Mediterranean nations could be an important opportunity for renewal of the present process of integration. The increase of "poor" members located in the south of the continent could change the balances and shift the bearing axis of the present Europe from the center-north regions toward policies formulated by a new majority which would tend to impose a different view of community development. From this perspective, it is to be hoped that admission of Greece to the community would stimulate a process of cooperation of Mediterranean nations involved in the EEC (of the associated nations, of those that are candidates for membership and those who are already members) to study and implement a new strategy of development.

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## PLAN FOR DEVELOPMENT OF MOLISE REGION ANALYZED

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[Article by Pier Luigi Amoroso: "The Molise Development Plan--Methodological Approach and Implementation Problems"]

[Text] The recent development plan for the Region of Molise points to a positive revival of interest in the planning method. The purpose of this article is to underscore the credibility of the points listed in the plan in question and at the same time to outline the methodological and practical problems which it poses beyond the limits of a strictly regional effort.

1. The regional planning situation has recently been enhanced by a new development plan involving the Region of Molise. This event is of some importance which can be correctly gauged not only because it shows us that, at least on the regional level, there is a tendency now to implement the planning method, but also because the revival of interest in planning this time springs from a southern region, that is to say, an agency which, operating in a depressed area, can lend particular emphasis to the planning method.

In spite of the disappointing results generally achieved as a result of planning experiments conducted so far in Italy--the experience of planning as such in effect remains a mandatory way not only in terms of criteria used in implementing efficient and coherent decisions regarding public policies and efforts, but also to maximize the positive effort of public spending and of course also to tackle the existing territorial imbalances.

In a situation such as the current one--which, on the national level, is characterized by an economic dualism which once again confronts us with the problem of the development of the South and, within the South itself, a tendency to reproduce a territorial imbalance between the more advantaged zones, generally located along the coastline and on the valley bottoms, and less advantaged zones, generally situated in the interior--trusting our state only to the so-called free forces of the market would in fact signify that we cannot counter the natural tendency of the agglomerative factors to promote the concentration of production activities in the more advantaged areas, with the obvious consequence of an increase in the existing imbalances.

The requirement for implementing the planning method nevertheless cannot in itself be sufficient to lend credibility and importance to a development plan. Although

such a plan may in any case be a pleasing indication of commitment, on the part of the managing class, especially if it involves a depressed area, such as Molise, in tackling the existing problems--and even though the presence of a planning document generally stimulates an always desirable debate promoting the cultural growth that can derive from that--it is true that, in the light of past negative experiences, it would no longer make any sense to have, nor would there be any effective value in having, a planning document which would simply repeat the errors of the past.

The Molise development plan from this angle presents interesting points of departure which give it the kind of importance that goes beyond the restricted limitations of an event or an effort which is only of regional relevance.

2. The disappointing results of planning experiments conducted in Italy during the sixties were thoroughly analyzed in the extensive literature available on this subject; it would therefore be superfluous and a waste of time to bring up again certain considerations which are now already a part of our current knowledge on planning. We may be content here with underscoring only that which appears to have been the fundamental limitation in that experience, that is, the lack of in-depth development of the operational aspect of planning and the scant consideration given to the existence--now more than ever before--of a plurality of operating subjects and of the complexity of their ways of behavior.

Well, the most interesting and the most characteristic aspect of the Molise development plan consists precisely in the well-organized and smoothly operational character deriving from the program structure adopted which is based on the close relationship between the objectives to be attained and projects suitable in implementing them and on the identification of the agencies and organizations responsible for the projects themselves.

The methodological approach of the Molise plan as a matter of fact is based on various phases which are conceptually and logically distinct and which involve a gradual in-depth development of the action to be carried out.

From the formulation of the general ultimate purposes we go on to the identification of the specific development objectives and their interrelationship with the problems encountered, also for the purpose of determining the field of action of the various subjects to whom the plan's implementation is entrusted.

The second phase consists in drafting the action policies considered suitable for the attainment of the objectives and their organization in a program structure. "This organization," as the plan explains, "permits the grouping of activities by objectives aimed at their attainment so as to allow a comparison in terms of costs and output among alternate means. The program structure furthermore, going down the line in a vertical direction, evidences the conditions on the various levels implicit in the decisions (and in particular the relationship between the final programs and the intermediate programs), while the horizontal analysis permits a first distribution of resources among competing programs."

The third phase involves the selection of projects. During this phase there develops a close relationship between objectives, expressed in an even more generic manner to permit immediate operational capability as well as projects, conceived as a complex of undertakings and/or efforts, necessary for their attainment.

The projects thus can be of varying nature, depending upon whether they are of decisive importance in the attainment of the objective ("key projects") or whether they can be repeated out in the field with suitable adaptations ("pilot projects") or whether they are aimed at stimulating private initiative ("promotional projects") or, finally, whether they are aimed at a better and more profound knowledge of some aspects of reality, so as to permit a more efficient management of program activity ("fact-finding or instrumental projects").

The special relevance of that phase derives precisely from the relationship which, in this fashion, arises between objectives and projects; this as a matter of fact is the most characteristic aspect of the plan: to each specific identified objective there are tied the determination, not only of the policies to be pursued, but also the works projects and the undertakings to be carried out in order to attain the objectives themselves. In this way we can get the plan to operate smoothly.

Once the projects have been selected, we go on to the last phase, the phase of specifically spelling out the projects themselves, so as to combine them with all of the indications necessary for their practical implementation and their insertion into the multiannual budget of the region.

These indications must for every project involve the following: the determination of objectives to be attained; the placement and setup in terms of time; the identification of interconnections existing with other projects, both those of the region and those of the other operators, and any possible conditions deriving from that; the specific indication of costs and the identification of the financial channels through which these costs are to be covered; the identification of subjects to whom we must assign responsibility for project implementation, working out the specific definition of the procedures to be followed and the controls and checkups to be conducted; the evaluation of the effects on employment, on the restoration of the territorial balance, on the broadening of the production base, on the development of investments, etc.

The program structure scheme, which specifically springs from this approach, is shown in a summary fashion in the tables given below and extracted from the plan.

3. Another fundamental and characteristic aspect of the Molise development plan is the important role being assigned to the financial planning system which is coherently inserted into the programming policy as such, of which it becomes an implementation tool.

The budget and accounting system is no longer viewed as a simple accounting control instrument but takes on the significance of an operational synthesis for the plan. The program budget also enables us to check on the suitability of undertakings provided for the attainment of the predetermined objectives and the degree of implementation of such actions; we thus have a possibility of exercising continuous control over plan implementation, which enables us to make those adjustments which are advisable in the light of reality.

This different conception of the function of the budget springs from and is made possible by the regional accounting reforms (Law 335/76, implemented in Molise through LR [Regional Law] 44/77), which was followed by a government law (Law 468/78); with the help of those laws it became possible, within a broader span of

time, to arrange the revenue and expenditure estimates (multiannual budget), to get greater budget maneuverability, to identify the actual spending through the cash balance [budget] and to achieve greater homogeneity in the structure of the budget.

As has been explicitly stated in Law 335, the multiannual budget takes, as reference terms, the indications in the regional development program and therefore represents the point of interconnection between the program and the budget. LR 44 repeats and strengthens this feature of the multiannual budget since it represents "the financial projection of the regional development program" and is so set up as to constitute a real program document.

The easy handling of the budget is also important here and that springs from the system used in connection with spending laws since in this case we avoid influencing the budget through rigid spending procedures, in other words, we do not deprive the development program as such of its true meaning.

Similarly important is the introduction of the cash balance [budget], through which we can achieve the actual handling of the regional spending flow, as well as the functional classification of spending which must be "suitable in representing--through programmed objectives--the plans and projects for action by the region, in correlation with the multiannual budget statement" (Article 14, LR 44/77).

4. In drafting the Molise development plan we therefore made full use of the possibilities offered by the new legislation on the regional budget and accounting system and we kept in mind the most significant indications regarding a planning effort broken down by objectives and by projects, such as they emerged from the debate during the early seventies, when the failure of the planning attempt, launched during the second half of the sixties, became clear.

In tieing in with these indications, redrafting them, and developing them in depth in the most appropriate ways, we however avoided arriving at those extreme conclusions --inherent in a certain operating style in recent times--regarding the planning concept which tend to deny any validity to the overall planning blueprint in order to concentrate full attention on sector planning.

The timeliness of an in-depth development of Italian society's main problems, with detailed sector plans, the general requirement for smooth operational implementation of program indications, accompanied by the now widely prevailing conviction as to the scant or entirely absent significance of general program proposals relating to the macroeconomy--all of this must not cause us to forget the usefullness of program indications to be taken as a general reference frame.

Without wishing to give such indications the kind of significance which--especially after repeated disappointments, they certainly cannot have, we nevertheless cannot afford to underestimate the need--in a serious planning effort--for having an overall framework involving the regional economy, which would be oriented both toward the present and toward the future, so as to build a coherent complex of objectives, actions, and undertakings.

On the other hand, the primary function of a regional plan--according to a broader concept more responsive to the institutional blueprint of a federal government made

up of autonomous levels of government--must be to represent a direction and a link for the public operator, both regional and federal, and the local entities, as well as a point of reference for the private operator. This as a matter of fact is another outstanding characteristic of the Molise development plan.

Such a methodological plan approach nevertheless entails a series of problems which we must briefly touch on.

The problems above all concern relationships with national planning and with sector and district planning.

5. Without dwelling excessively on these arguments--which we can define as being quite conventional since they have always attracted the attention of scholars--we can certainly say that, as far as the relationship with the national planning effort is concerned, the [regional] plan logically presupposes a general reference frame on a national level into which its own indications must be coherently inserted. Obviously, the region must be able actively to participate in the decisions to be made by the federal government, including those relating to the government budget, together with all of the others based on a regular and special status, as provided for in Article 11, Dpr [Presidential Decree] 616.

Stated in these extremely simplified terms, the problem appears correctly outlined. As a matter of fact, even the most stubborn regionalists cannot fail to take note of the need for tieing regional planning in with indications that are valid on the national level, not only because the regions are once and for all part of a single economic system, but also because that system, as we said before, is of the dualistic type, and we therefore face the need of overcoming the imbalance existing through the implementation of a policy which also calls for behavior requirements that are valid for all public operators. Without that, for example, the system of incentives, designed to promote initiatives that are to be placed in the South, would come to naught.

From the economic angle, a certain limitation on regional autonomy can be justified in the light of the need for guaranteeing coherent ways of action that will not be in conflict with the general objective which of course is to develop the South.

It is therefore in the interest of all promoters of the South that this national framework should continue to exist and that it set itself the priority objective of deliminating the imbalances in the North and South, with the proper consequences in terms of the regional distribution of financial resources.

On the other hand, while the regional plans must represent reference points for all of the public and private operators who are at work in the regional territory, coordinating and finalizing the various actions--according to the concept used for the Molise plan--one cannot then refrain from fitting those plans into program indications which are valid on the national level. If we were not to proceed to this tie-in, we would be heading toward the implementation of a highly inefficient planning system which would be entirely without coordination, featuring a national programming effort without the proper in-depth development and tie-up in the particular territory, deriving from regional plans, and with regional plans limited to undertakings by the region as an entity itself.

While the arguments we have made so far seem difficult to challenge from the viewpoint of basic principles, the difficulties do spring up the moment we come to the practical implementation of this approach.

We must first of all recall the long-lasting absence--at the very moment this very article is being written--of a national plan and that makes it difficult to identify specific program points. (By the time this article is published, we will probably know what the points are in the program documents which the budget minister is drafting. It will then be possible at least partly to fill the void in terms of directions and proposals which weighs ever more heavily on the life of the national community as a whole.) The absence of the plan on the other hand is only the external manifestation of an uncertainty which, in recent times, has characterized the entire national political framework. In such a situation it appears difficult to identify precise, broad-range policy outlines.

The Molise plan furthermore came out during a period of transition between administrations--a transition from one majority to another--with obvious consequences in terms of policy directions. To that we must add that we are now on the eve of the deadline provided for the special action in the South and that probably entails not so much an interruption but rather a profound modification of the ways and forms through which the undertaking is being developed right now, as much as we can tell from the current debate.

If we then look at the international situation, we again detect widespread uncertainty, both from the political viewpoint, looking at the crisis in relationships between the two superpowers, and from the economic viewpoint, involving the rise in prices on some raw materials, widespread, runaway inflation, rising unemployment rates, and money troubles.

Apart from these elements of uncertainty--which make it difficult to identify program directions to whom one may refer regarding the regional plans--it is the very type of relationship so far implemented between the federal government and the regions which in general terms is still unsatisfactory, as we can tell from the conclusions of the recent fact-finding survey promoted by the Parliamentary Committee for Regional Matters.

We do as a matter of fact know the shortcomings which on this occasion likewise were underscored by the regions relative to the operations of the Interregional Committee. This also includes the many burdens on regional finances, both in terms of certainty in the flow of incoming revenues and in terms of autonomy on the expenditure side, with the obvious negative repercussions on their planning capacities; it furthermore includes the distortions caused by the sector programs which--not being part of an overall design nor always keeping in mind the various realities existing in the various regions--often caused negative reflections in terms of the objectives of restoring the territorial balance and also for the purpose of achieving better utilization of public spending.

Apart from these shortcomings and remedies identified in the final report of the parliamentary survey, the fundamental point to be stressed here--in order to get a correct and satisfactory relationship between the federal government and the region --remains the matter of the application of the basic principles asserted in Article 11, Dpr. 616. So far, as a matter of fact, only Article 34, Law 468/78, relating to

the participation of the regions in the formation of the multiannual federal government budget, has led to the practical implementation of the directions contained in Article 11; but certainly that cannot be enough to bring about the kind of coordination--provided for in Article 11--between the actions of the federal government and those of the regions, through the planning method. We need as a matter of fact a law on procedures for national planning which, according to a statement the then Budget Minister Andreatta before the Parliamentary Committee, should lead to a revision and rationalization of the existing standards. This general law on procedures for planning should in particular spell out the organizational and functional aspects leading up to the institutionalized confrontation [comparison] between the federal government and the regions and should furthermore identify the ways and means for permitting an explanation of parliament's policy-making and supervisory power, the participation of the regions in the drafting of community policies, program coordination by the commissioner of government of the peripheral federal government administrations operating on the regional level.

6. The requirement for correctly and rationally putting the subregional planning effort together--in order to permit the active and effective participation of the local population groups in the decisions to be made and to permit an in-depth development of regional planning, based on the requirements dictated by the real situation existing on the spot--has obviously been broadly taken into account in the Molise plan. The region as a matter of fact quite some time ago passed a law calling for the institution of local levels of government, considering that level necessary in order to be able to launch subregional planning and to overcome the obstacles deriving from the low population figures in the Molise community. The law however was not implemented pending a resolution, on the national level, of the fundamental issues regarding the type of reform of local government to be put through.

To this very day, decisions have not yet been made on that score although the situation has been developing quite notably in the sense that--compared to the period when the regional law was passed--there exist many proposals for a reform of the local entities (all of the principal political groupings submitted their proposals) which were combined by the restricted committee constituted within the First Commission of the Senate. We therefore now have available voluminous material in order, on a solid foundation, to tackle the complex problems of reforming local government and to get a sufficiently clear look also on the observations and proposals drafted by the regions, by the representative organizations of the local entities (above all the ANCI [National Association of Italian Municipalities], UPI [Union of Italian Provinces], and UNCEM) as well as scholars, and they can constitute the outlines along which the reform can progress. In spite of the great importance of this point, this however is not the place for going into any great detail on many aspects of the reform.

To stick strictly to the topic of our article here, we will only present some brief considerations here. The first one, entirely positive, involves the general acceptance, by the political parties, through their proposals, for the need of the local entities to adopt planning as an action method and to have them tie their budget and accounting system in with that method.

The combined text, correctly following these indications and making reference to the basic principles contained in Law 335 Plan 76, as a matter of fact, for the local entities likewise, introduces the principle of multiannual budgeting and furthermore

points to the need for budgets being broken down by programs and by projects. Although these basic principles could be spelled out better and could be strengthened, we nevertheless can see the important repercussions that can spring from the adoption of such a budgeting and accounting system for the purpose of a more precise and harmonious link between the local entities and the planning efforts of the regions.

But the combined text does not seem to address itself sufficiently correctly to the relationship between regional planning and the practical undertakings launched by the local entities, in particular, the communities. Compatibility and coherence of the actions of the communities in line with the region's program indications (indications in which the communities themselves must obviously also participate) are left to operational control procedures, not to supervisory procedures based on law and that raises many doubts on the real possibility of combining the various public efforts in the territory within a single program design.

While, in extremely simplified terms, this happens to be the situation we face on the national level regarding the topic of relations between the region and the local entities from the program angle, we must, on the regional level, consider the specific nature of the situation we are dealing with. Here again, without dwelling at length on this point, we can recall only the objective difficulty experienced by the local entities in keeping up with and implementing the program planning method, in terms of active participation in the decisions to be made and in terms of coherent activities of their own, because of the shortcomings existing in the technical-administrative structures and in the management class itself. These are shortcomings which derive from the insufficient population dimension generally presented by such entities in Molise and by the decline in the number of individuals who are most skilled, such as it happened during recent years as a result of emigration, although the effort made during those years by the region undoubtedly promoted a general awareness of the problems to be faced and of the ways of resolving them within the context of a planning policy. To provide an ever more significant content for and to permit a serious statement and implementation of the program planning method on the subregional level, it appears therefore necessary to launch a careful effort which, in addition to promoting an ever greater sensitivity on the complex of planing problems, would identify and put together instruments that would support the activities of the entities. All of this should be done certainly not with the more or less old objective of hegemonizing such entities and surreptitiously arriving at a degree of control over their authority but rather with the sole intent of permitting and seeking their growth on the political and technical-administrative levels.

Regarding more strictly speaking the point under discussion, the decision to be made substantially boils down to a decision between the establishment of a regional research institute, in which one should also associate the local entities, or a suitable boost for the planning office, in order also to make it possible carefully to keep track of subregional planning activities.

These are solutions which present advantages and disadvantages. We can as a matter of fact say that, in the first case, we would have a greater possibility of concretely expressing subregional planning activities, at the same time giving greater technical support to the local entities; in the second, on the other hand, we would have a greater possibility of promoting the participation of the entire regional technical-administrative structure in planning activities, thus avoiding delicate problems springing from relationships and risks of duplication in the analyses between the regional planning office and the research institute.

The current orientation, which constitutes an innovation as compared to earlier positions, is to work toward the strengthening of the planning office since it seemed that the more important thing here is to fill the need for rooting planning activities within the region. It obviously remains for us to spell out and implement a strong and fruitful relationship between regional planning and subregional planning. Indications on this point should be contained in the law on procedures regarding planning and it is furthermore possible to identify and implement initiatives in support of the actions of the local entities, such as the initiative relative to the creation of a "project park" for works projects to be put up.

7. Regarding sector planning, we refer to the region's planning and the relationship which must exist between that kind of planning and the general planning effort.

There are no problems to be solved from the methodological angle and it is obvious that the sector plans are going to be viewed as a specific definition of the regional plans--with the well-known smooth operational setup--and as such they must coherently fit in with the indications contained in general planning.

Problems may arise at the moment of practical implementation, considering the natural tendency--generally to be detected in all regions--to reserve, for the individual community boards, ever more exclusive authority over the subject matter assigned to them, with a resultant weakening of the board's collegial functions.

If such a tendency were to prevail, the repercussions on planning activities could turn out to be particularly harmful, since we might easily arrive at a point of more or less accentuated confusion in regional initiatives on this particular matter. The opposite risk--deriving from the excessive concentration of planning activities--is that we might not have a convinced consensus--on the part of the administrators and the bureaucratic structure directly involved--in the program indications.

It is therefore necessary to pay much attention to a correct statement of the entire problem complex taken up here--which will also go beyond the relationship between general planning and sector planning--seeking to blend the various requirements involved here: the timeliness of reserving, within the scope of the board's group responsibility, a personal political responsibility of the competent advisor or board member in relation to the points listed in the sector plan; the need for active participation by the technical-administrative structures of the community board in the activities under the plan; but also the unavoidable requirement for unity in technical and political directions within the overall planning activities of the region.

Basically, the priority requirement of the regions--for the full attainment of their role within the context of a federal government made up of autonomous levels of government--remains to find a functional unit, not only toward the outside, in relations with the federal government, on the one hand, and the local entities, on the other hand, but also an internal one, involved in the complex and diversified activities they are called upon to perform.

This brings us back to the urgent need for spelling out the procedures to be followed through the passage of a suitable regional law.

8. The biggest problems which the regional development plan raises--in order to arrive at its satisfactory implementation and hence, more generally, to achieve a more complete application of the planning method--nevertheless involve the requirement, on the one hand, for having a continuous and timely flow of data and reports so as to promote a better knowledge of the real situation such as it is and, on the other hand, for being able to count on a regional organization which will function efficiently and productively.

The need for profound knowledge obviously goes hand in hand with the programming effort itself and it is the fundamental prerequisite for that effort so that the proper specific decisions may be made and so that action may be taken.

The plan indicates some instruments to be provided in order to improve the possibilities of providing knowledge and information for the region. These are indications which have already reached an advanced stage of theoretical-planning maturity; some of them are already being acted upon.

The instruments indicated here are as follows:

(a) The regional technical map, understood here as the systematic visualization of all basic data having territorial significance for the purpose of the region's development. The regional soil map (scale 1:100,000) has already been worked out; it will then be necessary to prepare a topographic map (scale 1:5,000) as a basis for the drafting of community urban development instruments, as well as the initial topical maps (scale 1:25,000) as support in the drafting of zonal agricultural plans.

(b) A labor market study; to implement the employment policy, which must be carried out by the region, it is a fundamental requirement to have a suitable information system providing data on the qualitative features of the labor market; this is a requirement which has already been noted by other regions;

(c) The production unit registration, designed to put together an information system on the structural characteristics of the region's productive economic apparatus;

(d) An observation project on urban development procedures, drawn up by the region in collaboration with IASM;

(e) The environmental and food information search center project; the overall economic situation of the country as a whole and the South in particular persuades us to consider the degree of internal resources development and the level of waste reduction, which each region will manage to achieve, as being decisive in the development of the Southern region; the Molise region has grasped the need for a research and experimentation center but also an environmental and food training center, drafting a program in this connection in coordination with FORMEZ [Fund for the South] and with the collaboration of the FAST [Federation of Scientific and Technical Associations].

Once all of these instruments are available, planning activities can be carried out on more reliable foundations and therefore can yield better results. It is therefore important to put these instruments together; but it appears to be even more important to arrive at a more thorough and timely knowledge regarding the ways, the time frame, and the distribution of regional spending throughout the territory.

The close correlation between the implementation of economic planning and financial planning--which, as we said before, is the most important and the most fruitful aspect in terms of achieving positive results from the current planning phase on its various levels--already demands an ever more precise knowledge of the money flow; in particular this involves past spending as far as the regions are concerned. In this way as a matter of fact we can measure the degree of plan implementation and the effects produced on the territory.

The objective of getting the territorial setup going involve a careful study of public spending in general and regional spending in particular. The territorial imbalance, for example, can certainly be controlled effectively through special and additional action--such as, for example, action deriving from the special projects on the inland areas--but from the concept angle and also from the viewpoint of specific results to be achieved, it is evident that all public spending must be coherent with or at least should not clash with the objective of restoring territorial balance. In every case we must obviously first of all take into consideration the effectiveness of spending as such.

Regarding the requirement for the functional effectiveness of the entity as such, we must underscore the importance of meeting these requirements through plan implementation. We can thus say that, for many reasons, the success of the current planning experiment is to a great extent tied to the degree of functional efficiency which the region will be able to achieve as an entity.

The regional plan, it is true, is addressed to all public and private operators; however, it is evident that the actions of the region, as the entity politically responsible for the plan, are of special importance in the implementation of this plan.

Special attention to this problem therefore is essential in order to render credible the current planning experiment; the rather satisfactory results, which were obtained with regard to the phenomenon of payable surpluses [carry-over] must not cause us to underestimate the importance of the problem itself. On the other hand, it is not entirely without significance that the plan devotes an entire paragraph to the reorganization of the offices.

The regional board has taken note of the need for tackling this problem, launching a study which should lead to the drafting of a law on planning procedures--a law which we mentioned earlier and which represents a suitable move toward the implementation of a new organizational model--and the identification of the tasks and the functional set up of the regional planning office.

We must also recall that a first important reorganization move involving the entity can spring from the regulation spelling out internal operating procedures within the regional board, as recently published in BOLLETTINO UFFICIALE, which in the last paragraph of Article 6 says: "The steps taken by the [illegible]vel administration must at an early stage obtain the opinions of the competent authorities of the territorial programming and planning services, legislative and legal affairs, as well as the budget and management control."

9. The considerations expressed here so far were designed to underscore, albeit in a rather succinct fashion, on the one hand, the credibility of the indications in

the regional plan, deriving from the commitment with which the operational aspect was tackled and, on the other hand, the methodological and practical problems which plan implementation poses.

Mentioning these various aspects of the plan may turn out to be useful in better understanding the significance of the plan, avoiding attitudes which in one way or another would not be specifically goal-oriented. Not even the positive results which we have achieved in recent times in the progress of the regional economy should make us forget the many problems which remain for us to tackle and hence the need for implementing a coherent planning policy.

The effort to slow down the serious phenomenon of emigration, as demonstrated by the absolute population increase; the improved sector structure in terms of employment; the increase in the domestic output at an average annual rate higher than recorded by the South and by Italy; the positive progress of investments which advanced at rates that are likewise higher than those for the South and Italy--all of these are extremely comforting indications pointing to a positive evolution of the Molise economy which started during the early seventies and which made it possible to regain some of the lost ground.

Molise however remains a depressed area with an economy that is heavily dependent on the outside world (more than 20 percent of the demand must be met through imports of goods and services) and with a need for launching a self-propelling development mechanism. Nor must we forget the difficulties encountered in the current situation of the national economy and the changes in progress on the international level which entail modifications and adaptations that are not always easy to put through. The ever more massive introduction, into work processes, of microprocesses will for example create big problems to be resolved especially regarding the anticipated reduction in jobs.

The Molise development plan therefore must be correctly viewed in the context of this entire problem complex, without any prejudicial skepticism which would fail to take into account that which has been done and which would fail to look at the characteristic of operational suitability of the plan—without any expectations of miracles which are definitely not to be looked forward to in the light of past disappointments.

Molise Region Program Structure Outline--General Objectives

A. Expansion of production base, creation of new job demand for achievement of more substantial balance on the labor market.
B. Greater endowment of social fixed assets.
C. Greater endowment of infrastructure facilities intended primarily for production use.
D. Elimination of territorial imbalances

| Specific Objectives | Action | Undertakings | | |
|---|---|---|---|---|
| | | Central | | |
| | | Regular | Special | Regional |
| Production Sectors | | | | |
| Agriculture<br>Increase in output in qualitative and quantitative terms. Achievement of maximum employment levels compatible with income levels comparable to those in other sectors. Better utilization of territory and increase in productivity by sectors. | Boosting of some sectors where the demand on the national level is particularly sustained and where domestic production is insufficient (animal husbandry, wood pulp and high-grade wine-growing). Recovery of uncultivated land. Expansion of irregated areas and soil improvement efforts. Combination of strictly productive activities with sale of | Agricultural plan | Special projects for stepped-up meat production (8)<br>Special projects for forest cultivation for production purposes (24)<br>Special projects for irregation development (23)<br>Special projects for intersector water power team (29)<br>Completion projects<br>Special projects for inland zone | Integrated livestock projects<br>Integrated irregation project<br>Integrated project for forest cultivation in inland areas<br>Project for "organic undertakings in support of agricultural cooperatives"<br>Program for job training, development, and updating<br>Loans and contributions for expansion and modernization of agricultural establishments |

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| | (cont'd) products and their processing, especially through the cooperative movement and the associations | | | |
| Industry<br>Definition of most suitable site locations for putting up a balanced model of territorial organization.<br>Election of sectors of manufacturing industry with highest labor intensity | Research and promotion of new and more dynamic production sectors.<br>Consolidation and strengthening of existing production fabric.<br>Boosting and stimulation of small and medium industry. | Industrial conversion and reorganization plans.<br>Program for investments by state participation.<br>Coordination of economic policy undertaking | Contributions and incentives CASMEZ [Southern Fund]<br>CASMEZ industrial infrastructure program<br>Regional industrial port at the mouth of the Biferno | Infrastructure program for establishment of small artesan groups and small industrial enterprises.<br>Minor population center infrastructure project.<br>"Leasing-loan" promotion.<br>Establishment of "regional finance company" |
| Crafts<br>Support and boosting of crafts sector | Organic program for promotion of development and of associations in the crafts | | | Program of vocational training, updating.<br>Infrastructure program for establishment of small crafts communities and small industrial enterprises |
| Commerce<br>Improvement of production efficiency of commercial units | Actions in technical training and assistance sector<br>Dissemination of association movement<br>Rationalization of loan system | | | Projects for improvement of commercial enterprises |

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| Tourism<br>Improvement of natural resources to expand tourist demand | Incentives for the sector, pushing the development of mass tourism and agriculture | Completion projects | Agricultural and tourism projects<br>Infrastructure facilities for the sector |

| Specific Objectives | Actions | Undertakings | | |
|---|---|---|---|---|
| | | Central | | Regional |
| | | Regular | Special | |
| Facilities for Group Use | | | | |
| Prevention and Health Assistance Reorganization of service designed to provide general benefits, equal treatment, respect for dignity and liberty of human individual, total coverage | Health information Coordination of activities of health agencies and creation of local social and health service units as control and coordination agencies for social and health action Personal Training | Interregional livestock disease prevention institute | Completion projects for outpatient facilities Completion projects for child shelters Completion projects for hospital facilities | Basic health and social service projects District health and social service projects ULSS health and social service projects Health services on multinational or regional network basis |
| Education, culture, and cultural assets Reorganization of service so that it can handle all educational and cultural functions, general coverage for everybody, upgrading of all existing cultural assets | Right to study and to extend school attendance Link between schools and employment policy and vocational training planning Coordination of activities of cultural and training and promotion-- | Basic educational and cultural services projects School and cultural district educational and cultural services project Multinational or regional network educational and cultural services projects | Completion projects for basic schools and mandatory school centers Completion projects for libraries Completion projects for school centers for secondary education and for museums | Basic educational and cultural services projects Intermediate educational and cultural services projects (multipurpose centers for cultural services and continuing education) School and cultural districts educational and cultural services projects |

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| | (Cont'd) in place of the current school districts--of the school and cultural districts as control and coordination agencies to implement educational and cultural activities in a united fashion<br>Coordination of reservation and improvement activities involving cultural assets | (Cont'd) Completion projects for archeological parks and monuments | (Cont'd) Multinational or regional networks educational and cultural services projects |
| Sports and Natural Assets<br>Reorganization of service so that it can handle the following:<br>All sports services and facilities connected with natural assets, general coverage for all sports activities and environmental utilization, upgrading of natural assets | Promotion of sports and environmental utilization<br>Coordination of activities of sports organizations and entities for environmental protection as well as promotion of local units to meet athletic needs and for environmental activities as agencies for the control | Completion projects for basic sports facilities | Basic sports and environmental services projects (small sports facilities)<br>Intermediate sports and environmental services projects<br>Multinational or regional networks sports and environmental services projects (territorial parks or nature preserves) |

| | | | |
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| | (Cont'd) and organization of sports activities and environmental promotion | | |
| Housing<br>Meeting social demand expressed by low-income social categories (both past and future)<br>Elimination of deteriorating housing<br>Strengthening existing residential facilities in areas considered to be of priority concern in terms of restoring the territorial balance | Determination of requirements on the level of the subregional areas or identification of methods necessary to eliminate them (new construction or renewal)<br>Drafting directives for communities to guarantee--within the context of existing urban development instruments--the identification of areas earmarked for undertakings (involving new construction or renewal) as well as the necessary urban development projects | 10-year subsidized and loan-based housing contruction plan (Law 457/1978) | Constitutions to capital account for loan-based and contract-based housing construction initiatives. |

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| Transportation<br>Adaptation of existing transportation supply to future additional command especially in areas targeted for balance restoration undertakings<br>Specialization --on basis of type and quantity--of demand anticipated in each subregional area regarding the roles of highway and railroad transportation | Creation of new or improvement of existing highway links which will support the future secondary development lines or which will link the latter to areas currently excluded from the main highway network<br>Utilization of railroad lines for the creation of a rapid link between Campobasso and Rome and for commuter service | Bus plan<br>General Railroad program and future multiannual plan<br>Emergency program and expansion of highway networks (ANAS [National Road Board]) | Programs for minor road construction |

DISPUTE WITHIN RANKS OF SPANISH COMMUNIST PARTY

Madrid DIARIO 16 in Spanish 28 Nov 80 p 9

[Article by Justino Sinova]

[Excerpt] Madrid--Ramon Tamames, a PCE [Spanish Communist Party] deputy, disagrees with Santiago Carrillo, its secretary general and number one man, on the party's organization and objectives.

Although Tamames tried to protect the figure of Santiago Carrillo by explaining that the problem of the party and of all parties in general is not a problem of the secretary general, he gave evidence of obvious disagreements and on one occasion used the word.

"Political parties have retained an antiquated structure, and the PCE specifically needs to create a joint secretariat," said the Communist deputy, who acknowledged that such a joint secretariat could have a "coordinator," a "first among equals."

His proposal is based on the fact that no single person is capable of attending to a General Secretariat given the complexities and complications of political parties today.

Therefore, "either the PCE alters its organization," Tamames asserted, "or it will become antiquated. But this is not a problem involving Carrillo. With its inertia the PSOE [Spanish Socialist Workers Party] is also becoming antiquated."

Tamames, who now devotes most of his time to his first term as mayor of Madrid, has specifically proposed abolishing the current secretariat and creating a joint secretariat of 8 or 10 members, foremost among whom would be a coordinator and a council of the secretaries general of the Communist parties of the nationalities and regions. He also suggests the creation of an honorary Central Committee.

"Santiago Carrillo is obviously against my proposals," Tamames stated, specifying later on: "Santiago and I disagree on the party's political future. Santiago could put himself in the forefront of the Communist Party's transformation, but I think that he feels the process has to take longer.

"With a lengthy process," he went on to say, "we could be left with a small party. There is a lot of ferment, a lot of desire for change in the PCE, and we have to do it. Otherwise, in a few years we'll be like the Belgian Communist Party, which has four legislators and doesn't matter a jot.

"And with the transformation," said Tamames, who spoke volubly, "the overwhelming majority of those who have left the party would return, and those who are on the verge of leaving would not. The next congress could be the congress of returns. And, as I have said on other occasions, even Fernando Claudin might come back."

Tamames concluded by saying that "Santiago Carrillo has not been able or has not wanted to undertake a major transformation in the party." And he then went even further: "Santiago has not attached enough importance to the party's loss of members and, above all, the trend, which is very worrisome."

Tamames guesses that there are currently 130,000 members of the PCE and the PSUC [Unified Socialist Party of Catalonia]. Some time ago there were more than 200,000.

Ramon Tamames, who is considered one of the Communists with the brightest future, explained that he is not resigned "to being in a party on the way down, which could turn it into a clique. This is not the reason I have spent my entire life in a party."

"If that is the case, isn't the PSOE your destiny?" asked one of his colleagues.

"Communism is true socialism," he replied. "Moreover, the PSOE is looking too much to its right wing and thinking that there can be a Social Democratic administration of capitalism."

"Why aren't you a member of the PSOE?" someone else present insisted.

"I am not a member of the PSOE because for historical reasons I am part of the PCE. When I joined the PCE, I did not have the chance to join the PSOE because it did not exist. And the option of the PSOE does not interest me now. The future could be a transformation of the PSOE and the PCE into a coordinated leftwing alternative."

"Is there a chance of your leaving the PCE," asked a third.

"Leaving the party is not one of my working hypotheses. I am in this party to stay and to try and have it change. There is no 'operation jump ship.'"

Ramon Tamames was also asked about Nicolas Sartorius, the number two man in Workers Commissions, who will be replacing Marcelino Camacho in the Congress of Deputies and curtailing his efforts on behalf of the union to devote more time to the party.

Tamames had only praise for Sartorius, whom some see as Carrillo's "successor." "Nicolas and I have been friends for many years," said Tamames. "His wife and mine are also good friends. He has a good brain, a good head and will do a good job in Parliament."

The Millions Are Gone

The Communist deputy also had the following to say, among other things, about these issues:

--"MUNDO OBRERO closed down when the 200 million pesetas raised over 4 years ran out."

--"The PCE has a very conservative economic administration."

--"The Soviets are standing very firm against the PCE. They know that they cannot interfere."

--"When the Soviets invited us to a congress on relations with Socialist parties, we did not go. We know more about that than they do. Let them legalize the Socialist Party in the USSR."

--"No one knows what goes on in Monclos Palace. Why don't you newsmen put together some sort of gadget and find out?"

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## NO PROGRESS DESCRIBES SUAREZ' VISIT TO BASQUE PROVINCES

### Just Protocol

Madrid EL PAIS in Spanish 10 Dec 80 p 1

[Article by Javier Angulo and Tonia Ftxarri]

[Excerpt] Vitoria--Adolfo Suarez was received in Vitoria, the first stop on his tour of the Basque Country, amid a climate that was marked almost exclusively by protocol on the part of the Basque Government and by protests and challenges from the ranks of the PNV [Basque Nationalist Party]. While 108 PNV city governments in Vizcaya and Guipuzcoa halted activities "because of the complete inefficacy of this visit, which is taking place without positive results as far as the development of home rule is concerned, in connection with the specific aspect of the economic agreements," negotiations concerning the issue of an autonomous police force, which had been suspended since last Sunday, were resumed in Ajuria-Enea on a personal initiative by Adolfo Suarez.

The prime minister arrived at around 1015 hours on an Air Force Mystere at Foronda-Vitoria Airport, where the flags of the Basque Country and Alava were waving next to the Spanish flag. He was greeted at the foot of the plane, amid an intense cold, by the president of the Basque Government, Carlos Garaikoetxea, government delegate Marcelino Oreja and the commanders of the Sixth Military Region and the Air Region. The "lendakari's" handshake meeting with Adolfo Suarez could tersely be described as ceremonial.

After listening to the national anthem at a podium, Adolfo Suarez reviewed an Air Force squadron and then greeted the civilian governors of Vizcaya, Guipuzcoa and Alava; the president of the Basque Parliament, Juan Jose Pujana; the four Basque Government advisers who were present; Luis Maria Retolaza, from Interior; Ramon Lavallen, from Culture; Carmelo Renovales, from Justice, and Javier Cano, from the Secretariat of the Presidency; the mayor of Vitoria and the Executive Board of the UCD [Democratic Center Union] in the Basque Country. The presidents of the provincial delegations were not present, as they were all in Madrid taking part in the negotiations for the economic agreements.

"My trip to the Basque Country," Suarez said before leaving the airport, "must be seen as part of my normal contacts as government prime minister with the various regions and nationalities of the Spanish state." Referring to his trip, Carlos Garaikoetxea said laconically: "I hope that this is a historic event, for the better, of course."

The police contingent around the airport, which turned out to be of moderate size, became a veritable show of force (with Civil Guard helicopters and combined forces) all along the route that the presidential party took to the residence of President Garaikoetxea, the Ajuria-Enea Palace. A placard signed by EGI [Basque Youth Force]-EAJ, the PNV's youth branch, could be seen on a palace transom; it read: "Suarez, the Statute." Another sign with the same initials could be seen along the highway from Bilbao to Vitoria, with the words: "Suarez, you are not welcome."

The absence of any sort of symbolic display or man-in-the-street curiosity along the route corroborated the prior impression that Adolfo Suarez' visit to the Basque Country has, for the moment, not prompted any particular enthusiasm among the people.

## Basque National Party Protest

Madrid EL PAIS in Spanish 10 Dec 80 p 13

[Article by Javier Angulo and Tonia Etxarri]

[Text] In contrast to the show of protocol by the Basque Government, the Basque Nationalist Party shut down most of the cityhalls in Vizcaya and Guipuzcoa "to protest the complete inefficacy of this visit, which is taking place without positive results as far as the development of home rule is concerned, in connection with the specific aspect of the economic agreements." The shutdown was ordered in decrees signed by the mayors in question, without a prior summoning of plenary council sessions. This prompted a harsh reaction from the Socialist Party of the Basque Country (PSE), which in a communique released late that afternoon assailed the "irresponsibility of the leaders of the majority party, who are seemingly determined to find the occasion to throw in the towel," thus confirming their "inclination to abandon institutions when things do not go their way."

We should add to this that late that night PNV members began putting up scores of posters that read: "Suarez, comply with the Statute" and "Suarez, keep your word."

### Tense Moments

Adolfo Suarez and Carlos Garaikoetxea, who rode together in the former's car, arrived at the Ajuria-Enea Palace at about 1100 hours. To Suarez' obvious surprise, Garaikoetxea invited him to listen, on the front stairs, to the anthem "Eusko Abendaren" or "Gora ta Gora," which although considered the PNV's, was officially played during the short term of the first president of the Basque Government, Jose Antonio de Aguirre. The Basque Government had asked unsuccessfully to have this anthem played at the airport, not at the Eusko Gudariak, as unofficial sources claimed. The strain of the moment could be seen on the faces of the prime minister and Carlos Garaikoetxea himself. The "lendakari" explained to Suarez that this was the only anthem of the previous Basque Government.

Once in the palace, Adolfo Suarez and Carlos Garaikoetxea spoke privately for three-quarters of an hour and then joined the meeting that Rodolfo Martin Villa, Marcelino Oreja, Alberto Aza and Rosa Maria Posada had started around 1115 hours with five advisers of the Basque Government.

Autonomous Police and Economic Agreements

The main issue of this initial contact was how negotiations were developing in connection with the autonomous police force, negotiations that had been "suspended without agreement" since Sunday evening. From what EL PAIS was able to learn, it was Suarez himself who advocated an end to the stalemate and proposed that talks be resumed by taking advantage of the presence of Martin Villa and the director of State Security, Francisco Laina, at a working session that could begin early in the afternoon.

The issue of the economic pacts, which the corresponding joint commission continued negotiating yesterday in Madrid, was not taken up in depth at the meeting attended by Adolfo Suarez and Carlos Garaikoetxea, which spokesmen from both sides agreed was held in an atmosphere of "courtesy, cooperation and good intentions."

This working meeting did, however, address the issue of the economic crisis, basically as it applies to the Basque Country. In this regard, the spokesman of the Basque Government told the media that agreements had been reached on "prescriptions for establishing quick and diverse assistance for the economy." In addition, as the Secretariat of State for Information confirmed, the two sides proposed that the second vice president of the government, Rafael Calvo Sotelo, travel soon to the Basque Country to establish contacts with economic sectors in the Basque provinces.

In the afternoon, while Martin Villa and Federal Government representatives negotiated the issue of the autonomous police with Basque advisers, Adolfo Suarez was meeting at the residence of the government's delegate to the Basque Country with the delegate, the civilian governors of the Basque Country and the heads of the state security forces.

Later at the same residence he held simultaneous meetings with the boards of directors of the employers associations of Alava (SEA), Guipuzcoa (ADEGUI) and Vizcaya (General Confederation of Businessmen); the latter is headed up by industrialist Luis Olarra. Before this the prime minister had met jointly with the presidents of the Chambers of Commerce of the Basque Country.

At the close of the meeting with the General Confederation of Vizcaya Businessmen, Olarra told newsmen that general topics connected with Vizcaya's economic problems had been touched upon "The economic situation is very serious," Olarra said, "and social problems make the situation still more serious." He reported that at the meeting they had broached all of Vizcaya's economic problems, but without examining any of them in depth. He said that they are waiting for the announced visit of the economic vice president, Calvo Sotelo, to deal with the problems in greater detail.

As to the economic prospects of Vizcaya Province, Luis Olarra commented that "no one can talk about good prospects when discussing Vizcaya's economic problems. Possible solutions are for the long term, inasmuch as the problems are very serious."

After dinner at Ajuria-Enea Palace, given in the government president's honor by the "lendakari," the prime minister met with the UCD Executive Board of Alava at a working session that began after 2315 hours.

## What Press Says

Madrid EL PAIS in Spanish 10 Dec 80 pp 2, 10

[Text] Suarez' Trip

Based on the notion that courtesy does not necessarily rule out bravery, we extend a most respectful welcome to President Suarez as he arrives today in the Basque Country. We are glad that the occupant of Moncloa has decided to set foot on Basque soil as part of his periodic travels through the various regions of Spain. What we do not know (and we want to say this before anything else) is whether Suarez has come here because of internal emergencies in his own party or in line with his government responsibilities, to deal suitably with the extremely serious problems facing this country. Whether his visit is merely ceremonial or whether it marks the definite beginning of elucidating understandings, fruitful dialog and permanent solutions to the lengthy and complex dispute stemming from the Autonomy Statute, depends largely on this executive duality, which we are pointing out independently of any legalistic interpretation.

This to us is the key to Suarez' visit to the Basque Country, and there is no better time than this to bring it up. If the Statute was the great hope, the balm that was to heal longstanding wounds, the text that was to legitimize government powers, the fact is that after an endless year of negotiations, of going to and returning from Madrid empty-handed, the Statute has traumatized our people's most sensible and moderate demands. We can understand prudence, but we cannot understand mistrust, delays and the tremendous contradiction between promises and unaccomplished deeds. Something has gone wrong, and it is not our wish to judge intentions, or why issues such as the economic pact or the autonomous police force, which are so indispensable for the grievances and stabilization of this region, are still at a stalemate. Suffice it to say that this entire course of action could show that those who have taken extremist positions are in the right, not those of us who advocated dialog as the only democratic channel for understanding (...)

Bilbao, 9 December

A Not at All Easy Trip

(...) This first official trip by the chief executive to the Basque Country is not at all easy. The complex preparations, the exceptional security measures and the quotation mark surrounding its results are proof of this. In any case, the trip, albeit too late in coming, seems obligatory. Despite the difficulties that

are on everyone's mind, it made no sense for the government president not to pay an official visit to the land in which Spain's future has so much at stake. It is only fair to mention that that error is finally going to be corrected.

It stands to reason that a trip like this could not but trigger speculation. Is Suarez going to the Basque Country with empty hands? What will he be carrying under his arm? Since it is inconceivable that this is just a courtesy call and, furthermore, since the transfer commissions dealing with the autonomous police and the economic pacts have been holding intensive meetings in recent days, it seems quite likely that this trip will be more than just an occasion to exchange smiles and shake hands. It will unquestionably not be a cut-and-dried public relations operation, for the simple reason that under the current circumstances, which are complex and delicate, the government's best public relations move in the Basque Country would be to hammer out agreements satisfactory to both sides on transfers (...)

Barcelona, 9 December

The First Trip

We have repeatedly called on the government president to travel to the Basque Country. Above and beyond temporary difficulties and leaving aside debatable considerations of timing, we have pointed out that only a personal visit and a first-hand glimpse could foster a better understanding of the region's problems (...)

We therefore justly applaud President Suarez' visit to the Basque Country (...)

No surprises are expected from the trip. President Suarez does not have (perhaps he has never had, even though most Spaniards pretended he did) a magic wand to erase question marks and solve political or economic equations. But it would be unfair to deny that he has powers of observation and the necessary sensitivity to detect those aspects of issues and problems that systematically escape a person when he views them from a distance, seated at a desk, not in the presence of the conditions that create or sustain them.

All of this should not be attributed to the personal courage of the government president, of which he has no lack. We would like to think that in this instance responsibility has prevailed over courage (...)

Madrid, 10 December

ETA Takes Over Station

Madrid EL PAIS in Spanish 11 Dec 80 p 1

[Text] Adolfo Suarez' second day in the Basque Country, a day with a distinctly political bent, transpired in an atmosphere marked by less tension on the part of home rule authorities and by scaled down PNV protest. Late yesterday the Military Branch of ETA [Basque Fatherland and Liberty] jammed the second edition of the RTVE's [Spanish Radio and Television] newscast in the Guipuzcoa region to

read its own extensive communique on Suarez' visit. The TV picture was not interfered with, but as soon as the president appeared on the screen, the sound was cut off and the ETA communique went over the air.

Adolfo Suarez established contacts with all Basque parliamentary forces (except Herri Batasuna), major union federations, the regional board and the provincial boards of the UCD in the Basque Country. Even though his meeting with the Alava UCD ended early the next morning, Suarez, who had recovered somewhat from the loss of voice that has plagued him since his arrival in the Basque Country, received Juan Jose Pujana, the president of the Basque Parliament, at around 900 hours at Los Olivos, Marcelino Oreja's residence.

The main topics at the string of meetings (lasting about a half hour) that the president held with Basque parties that morning were the course of negotiations on the creation of the autonomous police force and on the economic pacts, as well as the economic crisis and the violence in the Basque Country today.

Adolfo Suarez discussed the political normalization of the Basque Country with Basque Left leaders Juan Maria Bandres and Mario Onaindia. "We told the president very clearly," the former stated, "that the difficult normalization of this region depends on many things, but particularly on the release of Basque political prisoners from jail."

Mario Onaindia pointed out that President Suarez, like many persons, including Garaikoetxea, was unaware of the content of a resolution regarding the political normalization of the Basque Country that was passed by the Basque Parliament last 18 July.

## President Meets Everyone

Madrid EL PAIS in Spanish 11 Dec 80 p 13

[Text] All of the parties that came in contact with Adolfo Suarez yesterday in Vitoria were basically interested in hearing from Suarez about the status of the negotiations on the autonomous police and the economic agreements.

Txiki Benegas, secretary general of the PSOE [Spanish Socialist Workers Party] in the Basque Country, emphasized to Suarez yesterday that he thought the UCD has not employed good judgment in dealing with the Basque issue in recent years, and he reminded him how on more than one occasion in 1978 he had tried to convince him of the importance of settling the issues of the autonomous police and the economic agreements as soon as possible.

After their meetings with Suarez, all of the Basque parliamentary forces, except the Basque Left, harshly criticized the PNV's protest of Suarez' trip in the form of city hall shutdowns, calling it "blackmail."

### Concern Over Economic Crisis

The various facets of the economic crisis and its specific impact on the Basque Country, where the unemployment rate is already three points above the national

average, have been of particular concern to President Suarez during his stay in the Basque Country, in the wake of his contacts on Tuesday with the Chambers of Commerce and the employers associations there. Suarez also discussed the issue of political parties and, to round out his overview, met yesterday afternoon and evening in Bilbao and San Sebastian with the CCOO [Workers Commissions], UGT [General Union of Workers] and ELA-STV [Basque Workers Solidarity], the biggest union federations in the Basque Country.

Tomas Tueros, secretary general of the CCOO in the Basque Country, asserted at the close of his meeting with Suarez, that the prime minister had agreed completely that it was necessary to bolster the presence of the two parties (unions and employer associations) "to consolidate democracy on the labor flank."

Having concluded his week-long political contacts in Vitoria, the government president moved on to Bilbao, where an impressive show of police force awaited him.

On Tuesday night, seven members of the Basque Communist Movement (EMK) had been arrested as they were putting up posters with a caricature of Suarez urinating on the tree of Guernica and with the caption: "Suarez, kampora" ("Suarez, get out") and "Suarez, comply with the Statute."

The morning papers reported that the PNV had called for a rally outside the palace of the Vizcaya Delegation, where it was scheduled to offer a luncheon in the president's honor. Although the same papers reported in their late news sections that the call had been revoked (which was perhaps the most revealing development of the day), the police had to resort to their clubs to disperse the small groups of people who had gathered there in any case to shout "Get out!" and whistle when Suarez left the palace.

In contrast to this general atmosphere in the streets of Bilbao, there are several indications that tensions had eased somewhat among the autonomous authorities, the PNV and the visitors from Madrid.

## Suarez Sees Positive Results

Madrid EL PAIS in Spanish 12 Dec 80 p 13

[Article by Javier Angulo]

[Excerpt] San Sebastian--The announcement of the government's desire to resolve quickly the heated issues of an autonomous Basque police force and the economic pacts; the reaffirmation of unalterable stands on issues such as the ETA or amnesty; an interpretation of the Federal Government's presence in the autonomous community of the Basque Country; the possibility of a visit to the Basque Country by the king, and the temporizing tone with which he referred to relations with Basque institutions, were the highlights of the press conference that Adolfo Suarez held yesterday in San Sebastian shortly before returning to Madrid.

The somewhat more than 40-minute press conference was held at the Las Cumbres residence, which turned out to be quite chilly, perhaps because of the unaccustomed starting time, 900 hours, perhaps because the president did not often address in detail the issues that were brought up. Oddly enough, his most interesting statements came at the conclusion of the press conference.

"The purpose of my trip to the Basque Country," Adolfo Suarez began, "was not to reach major agreements in connection with the negotiations that are under way. This was not necessary, nor was it perhaps a good idea. My aim was to hold talks, to reconcile positions, on one of the trips that a government president normally takes to each and every one of Spain's regions. The negotiations are continuing, and I hope that there will soon be positive results on the issues of the autonomous police force and the economic agreements."

In the view of the president, if an agreement is not reached on these two points, both his government and the one headed by Carlos Garaikoetxea will have to clearly explain the reasons why. "I prefer to rule out this hypothesis, which would be dangerous and worrisome, as well as destabilizing for politics. I hope and I am firmly determined that agreements will be reached."

Economic Agreements

In referring specifically to the status of negotiations on the economic agreements, which are being held parallel to his visit to the Basque Country, Adolfo Suarez voiced his "profound desire" that they can get under way as soon as possible, under the Statute and the constitution. "My desire would be to be able to send the agreements law to the Cortes before year's end. In any case," he added, "it does not depend on me; it depends on the negotiating parties reaching an agreement."

He disclosed that the negotiations are hung up on setting the provisional amount of Basque autonomous community contributions for the general state functions that it does not perform and on an interpretation of the regulatory aspects of home rule. "The latest news that I have from the finance minister is that the gap is being narrowed on the contributions issue (it's just a matter of a few million pesetas) and that quite a bit of progress has been made on autonomy regulations in connection with income taxes and corporate taxes.

"A political decision on the reinstatement of the economic pacts is our obligation under the constitution, which recognizes it as a historic right. It is the technical demands and, specifically, tailoring the old agreement to today's demands, that make the negotiations long and hard.

"These are not bouyant economic times, and therefore anything that might entail treatment different from that of other regions could be regarded as negative," he said, referring to the misgivings that approval of the economic pacts might prompt in other regions of Spain, "but, I repeat, different treatment, because its language is different and it has historic institutions recognized by the constitution, which does not mean that all this is discriminatory."

Suarez said little about the negotiations on the autonomous police force. He confirmed that the snag was over traffic jurisdiction, asserting, however, that he was confident that "there will be a solution, which could soon be made public in the form of a government decision, because there are no serious disagreements on this issue."

The diplomatic conflict between the French and Spanish governments in the wake of the border incident on 23 November in Hendaya also came up at the press conference. Suarez rejected the French Government's view that the Spanish Government was complacent about the presence of far rightist elements in the French Basque Country. "No such complacency exists towards any kind of terrorism, no matter where it comes from, because terrorism is never justified."

He said he was in favor of intensifying relations and cooperation with France in the battle against terrorism. "It is not a question of bilateral relations; it is, rather, a question of expanding them to international cooperation, which ought to come about with the countries that signed the Helsinki Accord, so that the approach of condemnation gives way to active cooperation."

'I Will Not Negotiate With the ETA'

As to whether the government might consider negotiations with the ETA, the president was categorical: "I will not negotiate with the ETA. I repeat once again that that is not the path to follow. The pacification that the Spanish Government and the overwhelming majority of the Basque people want is going to be achieved, over the time required, through police, political and economic measures and, basically, by developing the Basque Statute.

"Without the slightest doubt we are going to eradicate ETA terrorism," he went on to say. "The ETA has no political justification, and that is why it is going to be eradicated." He was also categorical in expressing radical opposition to possible pardons for Basque prisoners. "There are no circumstances under which or reasons why we would consider pardons, not even as a working hypothesis."

The president gave a terse and cold answer when asked for his opinion of the PNV's protest, through the city halls, of his visit to the Basque Country. "I am not going to feel pressured to halt or speed up the development of the Statute. No pressures are going to step up the development of the Statute ahead of its logical schedule." Then, in a clearly temporizing tone, he mentioned the "cordiality and cooperation in negotiations" that he had detected in the Basque Government during his stay in the Basque region.

In assessing the critical situation in the iron and steel and shipbuilding sectors ("around which the Spanish economy has revolved"), the president indicated that the Basque Country has been the hardest hit because this is where these industries are mainly located. "The economic crisis in the Basque Country is aggravated by terrorism, which dampens economic activity and demoralizes businessmen. Thus, we need to take specific measures to create a climate of confidence among businessmen, to halt negative expectations. Political forces must help in this task."

In this connection, he announced that the second vice president of the government, Rafael Calvo Sotelo, and other economic ministers would be traveling to the Basque Country soon to deal face-to-face with the problems of the crisis-ridden sectors.

As to the presence of the Federal Government in the Basque Country, Adolfo Suarez said: "As part of the reorganization of our peripheral administration, it does not seem logical to maintain delegations that are devoid of content now that their areas of responsibility have been transferred. We have to see to it that the Federal Government's representation in the community is more functional in service to citizens." He then reaffirmed "the state's presence in the autonomous communities in enforcing the law while it is in effect."

When asked about the government's position on the controversial Lemoniz nuclear powerplant, Suarez recalled first that the National Energy Plan "has come out firmly" for nuclear power. He then went on to say: "Constitutionally, a decision on holding any sort of plebiscite on Lemoniz is up to the Federal Government."

'The King Wants To Come to The Basque Country'

After the conference was over, several dissatisfied reporters (just two questions for each three newsmen were planned) approached the president before his final get-together with Carlos Garaikoetxea. Responding to questions about a possible trip to the Basque Country by the king, Suarez said: "Of course I'm going to advise the king to come to the Basque Country, although he needs no such advice because he wants to come."

He also expressed his desire that once the stumbling blocks of the autonomous police and the economic agreements have been removed, "not so much aggressive concern be attached to the handling of other major issues of the Statute. I would like to see relations calm down as much as possible on the long road that is still ahead of us in this regard, since all parties want things to develop without pettiness."

## Garaikoetxea Sees Limited Results

Madrid EL PAIS in Spanish 12 Dec 80 p 14

[Article by Javier Angulo]

[Text] Bilbao--Although he preferred to save his basic impressions of Adolfo Suarez' visit to the Basque Country for his meeting yesterday afternoon with his cabinet, Carlos Garaikoetxea indicated after bidding the government president farewell that his visit "was interesting and useful from the standpoint of our autonomy because it complemented the intensified negotiations on the issues of the economic pacts and the autonomous police forces, which are continuing and in which I honestly cannot hide that there have been difficulties and little progress."

Garaikoetxea stressed that Adolfo Suarez' trip "had been planned in a specific way, and then unrealistic expectations were created in connection with it. I would

also mention in all sincerity that the problems have not been resolved, because of their technical complexity I would add, especially in the case of the economic pacts. It was a little irrational to think that the two issues could be resolved in 48 hours."

With regard to the status of the economic pact negotiations in particular, Garaikoetxea pointed out that the problems are eminently technical, "to the extent that they will have an enormous influence on the ultimate political decisions." Referring then to the basic point of discussion, the setting of 1981 provisional Basque autonomous community contributions for the general state functions that it does not perform, he asserted that even though the two sides are closer on the bases for calculating the amount, there are still major differences on the amount itself.

In this connection, he reported that the negotiating sessions continued yesterday and would probably go on for the next few days. "There are a lot of things to be dealt with and a lot of obstacles to surmount."

Autonomous Police

As far as negotiations on the autonomous police force are concerned, Garaikoetxea indicated that there has been a pause "to study alternate formulas for the points separating us."

This statement was confirmed by the interior counselor of the Basque Government, Luis Maria Retolaza, who told EL PAIS that there had been very little progress in the negotiations on the autonomous police. "We're practically where we were last Sunday." He conceded that although intensive talks have been held in recent days, which facilitate an understanding of the respective positions as well as their clarification, "the fact is that we are hung up over the traffic issue, an area where we want exclusive jurisdiction."

He did not deny that the government's fears in this regard were based on the possible temporary impediments that could arise for state security forces in pursuing terrorists along roads. "Thus, it is a matter of coming up with a formula to clarify the concepts of traffic and the surveillance of roads. For the moment we have not come up with the phrasing for these nuances. I would like to think that this is more a problem of language than political motivations."

Luis Maria Retolaza told EL PAIS that within a year the Basque Government wants to have a force of some 200 policemen devoted exclusively to traffic matters, "which are clearly and simply the responsibility of the autonomous community." Within 6 months the Basque Government also wants to have an initial autonomous police contingent of some 500 men, "whom we want to outfit, to the extent possible and in accordance with our limited number of law and order responsibilities, which would be the true areas of responsibility for the autonomous police as provided for in the Statute."

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CSO: 3110

## EQUATORIAL GUINEA HAS NOT TRANSFERRED OIL RIGHTS TO GABON

Madrid EL PAIS in Spanish 14 Dec 80 pp 1, 17

[Interview with the Spanish ambassador in Equatorial Guinea, Jose Luis Graullera, by Pablo Sebastian, in Malabo; date not given]

[Text] Jose Luis Graullera, Spain's ambassador in Equatorial Guinea, asserts in this interview with EL PAIS in Malabo that he will leave his post early next year to head up from Madrid an operational unit for cooperation with Guinea, which could become a State Secretariat for Spanish Overseas Cooperation. The ambassador asserts that President Obiang never granted Gabon its oil rights and that over the next 6 months the Guinean president's personal Moroccan guard might be replaced by a contingent of Guinean policemen who are currently taking training courses in Spain.

Question: Mr Ambassador, it has been a year now since Spain has been offering cooperation to Equatorial Guinea. What are the most important results of this course of action?

Answer: The most significant development at this time is the fact that we have moved from assistance to genuine cooperation, which from now on will come directly under the Guinean administration. We can also assert that Spain has practiced a very unusual form of cooperation in Africa that is very different from what other countries, such as France, have practiced and are practicing, which is ongoing cooperation patronage from the mother country.

Question: Don't you think that Spain's approach, scrupulous and marked by complexes as it is, since the so-called freedom coup in August 1979, has not been visible in a country that has yet to be built up and that lacks an administration. Don't you think that this unusual approach is often responsible for Spain's disorganization and exclusion from key spheres of the Guinean process?

Answer: At no time has Spain remained outside the strategic issues of Guinean politics. It is the Guinean Government that does the deciding on important issues, while Spain takes part in the discussions as an adviser. Examples of strategic issues would be economic and monetary policy, where Equatorial Guinea has also benefited from the IMF plan backed by Spain; the energy and military issues, as well as other fields, such as legal guarantees, where major steps are soon going to be taken.

In this regard, I should point out that this country will soon move forward on the path of human and civil rights with the enforcement of these rights by Guinean and Spanish officials, the latter as supernumeraries who will become part of the Guinean administration. Aside from permitting progress towards a state of law, this will provide a whole series of judicial and legal guarantees to businessmen and cooperating partners for boosting investment and creating and developing sources of wealth.

Question: The energy sphere has recently been the object of a political controversy, in connection with the oil deposit in the waters on the border between Equatorial Guinea and Gabon. Libreville and Paris are said to have forced Macias and the President Obiang to sign over the oil deposit. What truth is there to this?

Answer: The oil issue is a clear-cut example of how unusual Spain's cooperation in this country is. Whereas in Gabon the French company Elf Aquitaine is the leaseholder and, therefore, controls production and knows the reserve levels, in Guinea it is the government that has complete control of the leasing and production of oil through the GEPSA [Equatorial Guinean Petroleum, S.A.] company, in which Hispanoil takes care of technical assistance. The problem is that the French want to deal directly with Hispanoil, not with GEPSA, which is not possible. In addition, we are not aware that Equatorial Guinea has signed anything over. We know that President Obiang brought up the issue of control over the waters during his visit to Paris, in a bid to resolve the dispute, but we have heard nothing about him signing anything in the French capital. However, he seems to have signed a document in Libreville, but it contains a clause that left ratification pending, something that Equatorial Guinea has not done and, therefore, it has not renounced its sovereignty over the disputed zone.

Question: It has been said that the oil deposit could be quite large, about 100 million tons of crude. In addition, there has been criticism of Vice President Florencio Maye Ela's serving as president of GEPSA, because some circles have accused him, as well as other members of his government, of corrupt business practices.

Answer: In the first place, I would state that the prospecting to assess the amount of oil in that area of Equatorial Guinea has not concluded. Other investigations are under way that could yield exact figures. But in any case, the fact is that while this amount of oil could be important to Equatorial Guinea, it could never be to Spain, because the figure that you mentioned would barely be enough to meet Spain's overall needs for 2 years.

As far as Vice President Maye Ela is concerned, I want to point out that I am deeply troubled that his good name has been questioned. I don't know where these false charges against him come from, because at the beginning he was also accused of being against cooperation with Spain. I must state that Maye Ela enjoys my complete trust. When the goal of Spanish cooperation was clearly explained to Maye, he supported it without misgivings. As to the corruption

issue, I have to point out that initially a number of Guinean ministers did not realize that they could not run private businesses while holding posts in the government, but they have assimilated this quickly. We also have to bear in mind that after the military coup this country experienced the most absolute hardship. I do not think that you can level charges of corruption at people who asked for help to buy a suit or to get food; this is very different from the corruption involved in getting sizable commissions for granting import licenses.

Question: The military is another strategic matter. Here our attention is called to the continued presence of some 100 Moroccan soldiers who guard the president and, therefore, have political influence in the country. Won't the Moroccan security force ever be replaced?

Answer: Spain has taken major cooperation initiatives in this regard, under the model treaty signed in Madrid, including military and security assistance. Military men are currently receiving training in Spain and in Equatorial Guinea in staff courses and billeting.
In short, we can say that there is a move towards a clear-cut separation of the army, which will have to return to its barracks and leave the streets under police control. The men are being taught to respect the military hierarchy and to separate the army from the police, which in this country will come under the civilian government. When its training is completed, within 6 months or so, the police will be able to go about protecting President Obiang, who in my opinion is aware of the need for an Equatorial Guinean personal guard.

Question: Lastly, Mr Ambassador, you have confirmed your desire to leave your post. There is talk that you will be replaced by diplomat Lorenzo Gonzalez and that you intend to continue coordinating activities from Madrid.

Answer: It is true that I asked first Marcelino Oreja and then Jose Pedro Perez-Llorca to have me replaced in early 1981. I think that we are on the verge of a new phase, the phase of cooperation proper, and that new men are needed. I have concluded initial aid efforts in the areas of foodstuffs, education and health care, and we ourselves have made mistakes, many of which resulted from the difficulties that we encountered here in starting up a new administration. It is true that we have had problems in hospitals, with food distribution and, above all, with fishing matters, but I think that we are now in a position to correct all of these shortcomings.

I don't know whom Minister Perez-Llorca is thinking about. I think that Lorenzo Gonzalez is quite familiar with the situation and, in my opinion, could be effective in this region, because what is needed here is a man who can make decisions without having to always consult others. Perhaps that's why I was chosen initially, not just because I am a friend of President Suarez. The government appointed me because it felt that I possessed the qualities needed to do the job. I have made decisions and taken on responsibilities often without consulting Madrid, something which used to be almost impossible in many cases, but I have never sidestepped the Foreign Ministry.

Now then, I don't want to throw in the towel with Equatorial Guinea either. Hence, it is quite possible that when I return I will head up an operational unit for cooperation with Guinea that will take over the functions that the Spanish administration now performs. An administrative unit that operates efficiently and yields positive results could lead to the creation of a state secretariat for Spanish overseas cooperation.

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CSO: 3110

SIRMEN EXAMINES NATO IMPACT ON PERSIAN GULF

Istanbul CUMHURIYET in Turkish 28 Nov 80 p 3

[Article by Ali Sirmen in the column "Today in the World": "An Important Resolution"]

[Text] During the North Atlantic Assembly's annual fall meeting, held last week in Bursaels, a resolution of vital importance was being taken which is of great concern to Turkey.

This resolution is worded as follows:

"Displaying the necessary respect for NATO's borders, the North Atlantic Assembly states that it is in the joint interest of all the members of the alliance to have stability in the Gulf region ensured."

"It calls upon the member nations to agree on a military program and political strategy within the NATO region, to provide the flexibility required to enable certain member nations to effectively deal with operations in other areas where the NATO agreement cannot be implemented."

"It calls on them to formulate among the allies, a more effective crisis-solution system, bearing in mind that they will accept special duties for different areas of conflict."

As one can see, the resolution is aimed at extending NATO's influence to cover the Gulf nations, "together with respecting NATO's borders."

One remembers that the subject had previously caused long discussions between the U.S. and NATO's European members. The European members had not agreed to the call to intervene in the Persian Gulf, an area outside the alliance's borders of responsibility. Washington, though, was trying to get the other members to join in policing the region, which the U.S. had already been doing with the Seventh Fleet and its bases in the region. The problem was also taken up at the meeting of the Defense Planning Committee, held in Brussels last December. The U.S. restated its desire to have the other members contribute to initiatives in the Persian Gulf. In response to this, Turkey proposed a formula "to have countries which have the resources contribute" and the resolution arose based on Turkey's proposal.

The resolution which the Assembly drafted this time, however, is filled with points that closely concern the way in which NATO bases in Turkey are to be used. In taking measures concerning the Gulf nations, the wording "ensuring flexibility for the effectiveness of these measures" is seen as a formula to ensure that an American initiative directed at the Gulf will be able to make use of the bases in Turkey, which are restricted to NATO aims.

Also mentioned in the Assembly's resolution is the formulation of a more effective crisis-solving system. This wording brings to mind concepts of flexibility which can last until the member nations get directly involved in such an incident.

Turkey is at the head of the European states directly affected by the NATO Assembly's resolution, particularly from the standpoint of being a country neighboring the Gulf and having bases on its territory which could play the role of jumping-off points for military operations to be directed at this region. From this angle, it is natural that Turkey and Turkish public opinion display a great sensitivity toward the aforementioned resolution.

It is true that NATO Assembly resolutions are nothing more than advisory in nature. Nevertheless, the latest resolution was drafted within a process where Washington concentrated its pressures to ensure a development along this path.

It is impossible not to feel concerned over this situation.

There is no doubt that even the most fervent believers of the advantages of NATO and the greatest supporters of the North Atlantic Alliance in Turkey limit our NATO membership, using the National Pact as the boundary line. In other words, Turkey's NATO membership carries with it a meaning of membership in regional defense pacts which article 51 of the United Nations Conditions set forth and in which Turkey participates from the standpoint of the security of its own borders. And only within this context does our NATO membership agree with Ataturk's principle of "Peace in the Nation, Peace in the World." There is no room in this principle, which constitutes the basis of our foreign policy, for helping either the policing or the policeman of the Persian Gulf.

When this is the situation, the sensitivity Turkey has shown in this matter is easily understood. There are major advantages, from the standpoint of our national interests, in the continuation of this sensitivity and in being extremely vigilant in the face of future proposals that organizations which generate resolutions will re-introduce to the agenda.

It must not be forgotten that even the European countries far from the Persian Gulf exhibit great sensitivity in this regard. As one of the nations of the region, the necessity of Turkey displaying concern and sensitivity over and above that of the European countries is a natural requirement of wisdom, logic, national interests and the basic outline of our foreign policy.

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ECONOMIC, TECHNICAL ISSUES DISCUSSED WITH EEC

Istanbul CUMHURIYET in Turkish 30 Nov 80 pp 1,7

[Article by Sedat Ergin]

[Text] Although weight is being given to economic and technical matters in the talks being held in Ankara with the EEC delegation, chaired by Pierre Duchateau, chief of the Southern European Desk of the EEC's Foreign Relations General Directorate, political observers in the capital are drawing attention to the political importance the delegation's visit carries.

Foreign Ministry circles are defending the idea that the delegation's visit can be evaluated as a political signal that indicates the community's desire to have its relations with Turkey continue. While community officials note the same view, appraisals on the subject of Turkish-EEC relations though can be summarized as follows:

"The fact that Turkey was at a political dead-end was well known. For this reason no reaction to the army's intervention was exhibited and, in one sense, it has been considered a legitimate operation. In this context, the community has not gone the route of freezing relations. Both the EEC Council of Ministers and the military administration want to continue their relations. The tendency in the European Council and the European Parliament has also been in this direction. At present, relations continue in accordance with the decision made by the Council of Ministers. The Community wants to implement the Joint Council's resolutions of 30 June."

The European Parliament and Turkey

Nevertheless, community officials, while appraising the future progress of relations, do not conceal the fact that the development and expansion of relations will be proportionate to internal developments in Turkey and steps taken toward a return to democracy, and they report they have alerted Turkish officials to these matters.

A community official summarized the views toward Turkey as follows:

"We will negotiate the fourth financial protocol. But its implementation will be somewhat dependent on internal developments in Turkey. While the financial protocol is being put in its final form we will take the view of the European Parliament. The European Parliament will play a determining role in the Community's relations with Turkey. If negative developments occur in Turkey's internal policies, the

European Parliament can make the decision to reject, and a freezing of relations may result. For that reason the discussions in the European Parliament are very important. For the present our relations continue. The delegation's coming to Ankara is the clearest proof of this."

The Joint Council is Convening

Moreover, the visa matter along with the status of Turkish-EEC relations will be discussed at the Joint Council which will convene this week at the permanent representative level. Community officials report that the political situation in Turkey will be taken up at these talks.

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CSO: 4907

## IMPACT OF TRANSITION ON LABOR EXPLORED

Istanbul CUMHURIYET in Turkish 30 Nov 80 p 5

[Article by Sukran Ketenci in the column "From the Worker's Universe": "The Transition Period"]

[Text] In the aftermath of the 12 September operation and the implementations of the ban on strikes and lock-outs, the suspension of union activities and the across-the-board 70 percent wage increase to allay excessive worker suffering during this period, a transition period law for labor relations has been put on the agenda.

Because the 70 percent wage increase for all work-sites which fall into the new agreement period, has, in practice, caused wage variations of up to 50 percent between workers and work-sites which do the same job, a transition period law was seen as the easiest way to solve the problem and, for this reason, efforts in this regard have been accelerated.

However, the draft of the law, about which contradictory reports have been coming out for weeks, is not meant solely for the completion of half-fulfilled agreements, as has also been noted in reports based on Turk-Is [Turkish Confederation of Labor] sources.

The transition period law, which will remain in effect until the new constitution and the new laws which are to re-shape labor relations come out, carries great importance since it will not only shape labor relations in this period but will also affect the relations and the laws of future periods.

Establishing a healthy relationship between the goal and the article of law in a field such as labor relations that experiences complex and continuous social changes, is a very difficult job. The fact that the lawmaker has determined his goal has many times not carried with it the accomplishment of this goal by means of the law he implements. For example, there are agreements for branches of industry in our laws which are presently in effect and have been for 17 years. Yet, in practice it has been possible to make work-site agreements under the name of branch of industry agreements, using the laws which outline agreements for branches of industry.

The lawmaker has determined his goal for the transition period: it has been deemed appropriate that during the transition period, a systematic wage increase be ensured in order to continue the ban on strikes and lock-outs, to limit union activities and to prevent excessive hardship for the worker. Within what sort of arrangement can these goals be achieved?

The first way is for the unions to operate freely from the standpoint of collective agreements until the coming of a strike phase. Even though it is not possible to consider unionizing and the collective agreement system, and the right to strike, separately, for the transition period a system could be considered in which strikes are banned but the organizing and negotiating activities of the unions would be allowed to continue. If the sides are unable to come to an understanding prior to the strike phase, intervention by a council and the accomplishment of a suitable agreement for both the work-site and the branch of industry by means of "extension" could be considered. But following the ban on union activities regarding DISK [Confederation of Revolutionary Worker Unions], Hak-Is [Turkish Moral Rights Worker's Trade Union] and MISK [Confederation of Nationalist Labor Unions] how will these unions be allowed to continue their authorized affairs? How can authorization be given to the other unions without these unions, whose activities have been suspended, being able to exercise their rights of organizing and authorized objection? The "Caretaker" law which has come out and declarations concerning implementation have eliminated, for the period during which these union's activities have been banned, the possibility of them functioning.

In the second method, authorized affairs will be frozen, the continuation of the authority of each union at a work-site where it previously held sway will be accepted and, in this framework, freedom for collective agreements for unions not included in the complete ban on activity will again be recognized up to the strike point. For those unions covered by the total ban though, agreements will be implemented by means of direct extension. Here too, as has been presented in certain newspaper reports, using the agreements of unions tied to Turk-Is as a measurement may come to mean, in one sense. The loss of impartiality and directing the worker to a previously chosen union.

In the third method, no union has a right to collective bargaining. Since the worker cannot use his union rights, wage increases made at the work-site will be considered to minimize the resulting economic damage. When the determinations are made, either previous agreements, price increases or similar work-site conditions can be used as examples. The result being a healthy way of gauging the soundness of the measurements taken and the councils formed. But there will be no discussion of union rights and the fact that such a period will be long-lasting will not be a hopeful indicator from the standpoint of the future of union rights and freedoms.

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